

Request for Proposals

MERCHANT BANK CARD SERVICES



MICHAEL J. MURPHY
State Treasurer
State of Washington

November 16, 2005

TABLE OF CONTENTS

SUMMARY INFORMATION AND PROPOSAL RETURN COVER PAGE	4
SECTION I - GENERAL INFORMATION	5
SECTION I - GENERAL INFORMATION	5
1. BACKGROUND	5
2. PURPOSE/OBJECTIVES	5
3. RFP COORDINATOR	6
4. RFP SCHEDULE.....	6
5. LETTER OF INTENT TO RESPOND	7
6. PRE-PROPOSAL CONFERENCE.....	7
7. RFP MODIFICATION	7
8. CONSIDERATION OF MINORITY AND WOMEN OWNED BUSINESS	8
9. APPARENT SUCCESSFUL VENDOR	8
10. PERIOD OF PERFORMANCE	9
11. RENEGOTIATION OF FEES	9
12. FINAL SELECTION	9
13. SINGLE RESPONSE	10
14. ERRORS IN RESPONSE	10
SECTION II - SCOPE OF SERVICES	10
15. SCOPE OF WORK	10
16. SERVICES TO BE PROVIDED	11
17. MANDATORY MINIMUM VENDOR QUALIFICATIONS	17
SECTION III – PROPOSAL PREPARATION AND CONTENT REQUIREMENTS	18
18. SUBMISSION OF PROPOSAL.....	18
19. PROPRIETARY RESPONSE MATERIAL	19
20. CONTRACTUAL REQUIREMENTS.....	19
21. CLARITY OF PROPOSAL	20
22. ORGANIZATION OF PROPOSAL.....	20
23. SINGLE VOLUME.....	20
24. PROPOSAL CONTENTS	21
SECTION IV – EVALUATION OF RESPONSES	23
25. EVALUATION PROCEDURES.....	23
26. BASIS FOR EVALUATION	23
27. EVALUATION COMMITTEE.....	23
28. EVALUATION CRITERIA	24
SECTION V – CONTRACT SPECIFICATIONS.....	24
29. CONTRACT INFORMATION.....	24
30. AWARD OF CONTRACT.....	24
31. PROTEST PROCEDURES.....	25
ATTACHMENT A – PRICING SCHEDULE	27
1. INSTRUCTIONS AND INFORMATION	27
2. TRANSACTION PROCESSING.....	27
3. PRICING SCHEDULE.....	28
ATTACHMENT B - CONTRACT STANDARD TERMS AND CONDITIONS.....	33
ATTACHMENT C –CREDIT/DEBIT CARD SERVICES QUESTIONNAIRE	50

ATTACHMENT D – STATE AGENCY REQUIREMENTS.....	56
ATTACHMENT E – RCW 39.58.080 DEPOSIT OF PUBLIC FUNDS.....	77
ATTACHMENT F – CURRENT CREDIT CARD VOLUMES	77

SUMMARY INFORMATION AND PROPOSAL RETURN COVER PAGE

RFP NUMBER BC-2005-001

ISSUE DATE: November 16, 2005
TITLE: MERCHANT SERVICES

ISSUING AGENCY: Office of the State Treasurer
P.O. Box 40202
Olympia, WA 98504-0202

Ryan Pitroff
RFP Coordinator
(360) 902-8917
ryan@tre.wa.gov

CLOSING DATE:

CONTRACT PERIOD: The contract term will cover a four-year period, commencing on April 1, 2006 through March 31, 2010. At the option of the Treasurer's Office, and upon mutual agreement, this contract may be extended for three 1-year periods, or a portion thereof. Total contract period with extensions shall not exceed seven (7) years.

SUBMISSION AGREEMENT: In compliance with this Request for Proposal, and to all the conditions imposed herein, the undersigned agrees to furnish Merchant Services in accordance with the attached signed proposal, or mutually agreed upon subsequent negotiations.

NAME AND ADDRESS
OF FIRM:

DATE:

BY:

(Signature in Ink)

TITLE:

TELEPHONE NUMBER: (_____)_____

SECTION I - GENERAL INFORMATION

1. BACKGROUND

An act relating to cash management was passed by the state legislature in 1993, stating in part:

- Effective and efficient management of the state's cash resources requires expeditious revenue collection, aggregation, and investment of available balances and timely payments;
- The use of credit card, debit cards, and electronic transfers of funds and information are customary and economical business practices to improve cash management that the state should consider and use when appropriate.

Under the provisions of this legislation, each state agency must receive authorization from the Washington Office of Financial Management (OFM) to accept such instruments for payments, after presenting a business case which demonstrates economic feasibility. This same legislation assigns the authority for contracting for these services for all Washington State agencies (hereinafter State) to the State Treasurer. The Treasurer and his staff comprise the Office of the State Treasurer (hereinafter Treasurer or OST).

In March 2000, the Treasurer signed an agreement with Bank of America, Merchant Services to provide merchant bank card services to the State. The scope of services includes: credit and debit card authorization and settlement; providing equipment, such as terminals, printers, pin pads and supplies at payment locations; on-line transaction reporting; personal computer software for credit/debit card processing; training, reporting; and VISA and MasterCard acceptance. The term of this agreement is through March 31, 2006. The State has signed separate agreements with Discover/Novus and American Express for acceptance of their cards.

2. PURPOSE/OBJECTIVES

The Treasurer is seeking proposals from qualified vendors to provide Merchant Services to the State of Washington. This contract will replace the existing contract with Bank of America, Merchant Services upon execution.

The contract term will cover a four-year period, commencing on April 1, 2006 through March 31, 2010. At the option of the Treasurer's Office, and upon mutual agreement, this contract may be extended for three 1-year periods, or a portion thereof. Total contract period with extensions shall not exceed seven (7) years.

This document should provide respondents with the information necessary to assess the ability of their organization to meet the needs of the Treasurer in providing the specified services and the contracted terms by which the Treasurer proposes to govern the relationship between it and the selected vendor.

The objectives of this request are to:

- secure vendor(s) to provide debit and credit card processing services, along with other related merchant services to multiple state agencies with varying requirements;
- secure economies of scale pricing;
- ensure timely and reliable authorization of credit/debit transactions;
- secure reporting products that meet the requirements of both the individual state agencies and the State Treasurer's Office; and,
- establish a single point of contact for coordination of all activities related to this contract, including adding new agencies/locations, problem resolution (settlement, billing, reporting, etc.), new technologies, etc.

3. RFP COORDINATOR

Upon release of this RFP, all responding Vendors' communications must be directed to the RFP Coordinator listed below:

RFP Coordinator: Ryan Pitroff
Office of the State Treasurer
General Administration Building, Room 125
P.O. Box 40202
Olympia, WA 98504-0202
(360) 902-8917
FAX: (360) 902-8945
E-Mail: ryan@tre.wa.gov

4. RFP SCHEDULE

<u>Event</u>	<u>Date</u>
<ul style="list-style-type: none">• Issue Request for Proposal (RFP)• Letter of Intent Deadline• Deadline for Questions• Deadline for Proposals	November 16, 2005 December 5, 2005 December 10, 2005 December 21, 2005 5:00 pm, Pacific Standard Time
<ul style="list-style-type: none">• Evaluate Proposals	December 27, 2005 to January 5, 2006

- | | |
|-----------------------------------|------------------|
| • Oral Presentations, if required | January 9, 2006 |
| • Name Apparent Successful Vendor | January 13, 2006 |
| • Negotiate and Execute Contract | January 27, 2006 |

5. LETTER OF INTENT TO RESPOND

The Treasurer's Office must receive a letter of intent to respond by 5:00 p.m. on December 21, 2005. These letters shall be mailed, delivered, or received by facsimile to:

Ryan Pitroff, RFP Coordinator
Office of the State Treasurer
Cash Management Division
General Administration Building, Room 125
P.O. Box 40202
Olympia, WA 98504-0202
(360) 902-8917
FAX: (360) 704-5117
E-Mail: ryan@tre.wa.gov

Failure to submit a Letter of Intent to Respond by the deadline specified will result in the disqualification of any proposal submitted by the vendor.

Submission of the Letter of Intent to Respond constitutes the offer's acceptance of the procedures, evaluation criteria, and other administrative instructions of this RFP.

Letters of Intent to Respond may be withdrawn at any time before the deadline for submission of proposals.

6. PRE-PROPOSAL CONFERENCE

Because of the time sensitive nature of this RFP, it has been decided that we will forego the Pre-Proposal conference. Instead we will provide until December 9, 2005 the opportunity to submit questions concerning the RFP.

These questions must be submitted in writing via fax, mail, or email to the RFP Coordinator, who will coordinate with the stakeholder agencies and post the responses on the Treasurer's website at www.tre.wa.gov within five working days.

7. RFP MODIFICATION

The Treasurer's Office reserves the right to change the RFP Schedule or issue addenda to the RFP at any time. The Treasurer's Office also reserves the right

to cancel or reissue the RFP in whole or in part, and for any reason, at the sole discretion of the Treasurer's Office, at any time prior to the execution of the contract.

If it is necessary to revise any part of this RFP prior to the due date for submission of the proposals, addenda will be provided to all individuals and organizations that received the RFP.

All responses to this RFP shall be based on the material contained in this RFP, and any amendments, which may be made to the RFP.

8. CONSIDERATION OF MINORITY AND WOMEN OWNED BUSINESS

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW the State of Washington encourages participation in all of its contracts by MWBE firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation/invitation or as a subcontractor to a Bidder/Proposer. However, unless required by federal statutes, regulations, grants, or contract terms referenced in the contract documents, no preference will be included in the evaluation of bids/proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award and bids/proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

Proposals that meet any of the following criteria shall be considered appropriate in assisting the state meeting MWBE goals:

- The Bidder submitting the proposal is owned and operated by minorities or women and has been certified as an MWBE by the Washington State Office of Minority and Women's Business Enterprises. MWBE certification will be verified by the Office of the State Treasurer.
- MWBE specifications become part of the terms and conditions of any contract awarded as a result of this RFP.

9. APPARENT SUCCESSFUL VENDOR

An Evaluation Committee will select the Apparent Successful Vendor who most closely meets the requirements of this RFP, as outlined in section 16: Services to be Provided and section 17: Mandatory Minimum Qualifications as well as

Attachment A: Pricing Schedule, attachment C: Questionnaire and attachment D: State Agency Requirements. The scores for these sections will be weighted on the basis of the evaluation points included in Section 28 of this RFP. Written submittals and oral presentations, if considered necessary, will be utilized in selecting the winning proposal. The Treasurer, at its sole discretion, may elect to select the top scoring finalists for an oral presentation and final determination of contract award. Commitments made by the Vendor at the oral interview, if any, will be considered binding. The score from the oral presentation can be considered independently to result in the selection of the Apparent Successful Vendor.

After successful contract negotiations have been completed, the Apparent Successful Vendor will be awarded a Master Agreement for Merchant Services for the State of Washington.

The Master Agreement will be a contract incorporating the scope of service from the Apparent Successful Vendor's proposal as negotiated. If the Treasurer's Office fails to negotiate a contract with the Apparent Successful Vendor, the Treasurer's Office reserves the right to negotiate a contract with the next most qualified Vendor. The award of a contract pursuant to this RFP is expressly conditional upon the execution of a contract document deemed acceptable by the Treasurer's Office.

10. PERIOD OF PERFORMANCE

The contract term will cover a four-year period, commencing on April 1, 2006 through March 31, 2010. At the option of the Treasurer's Office, and upon mutual agreement, this contract may be extended for three 1-year periods, or a portion thereof. Total contract period with extensions shall not exceed seven (7) years.

11. RENEGOTIATION OF FEES

Fees must be guaranteed for the initial two-year period, but will be subject to renegotiation at the end of the first two years upon terms mutually agreeable to the Treasurer and the successful vendor.

12. FINAL SELECTION

The Treasurer's Office reserves the right, at its sole discretion, to reject any or all proposals for any reason prior to the execution of a contract with no penalty to the State.

The Treasurer's Office reserves the right to refrain from contracting with any vendor. The issuance of this RFP does not compel the state to purchase

services. The final selection, if any, will be the proposal that, in the opinion of the Treasurer's Office, best meets the requirements set forth in this RFP and is in the best interest of the State of Washington.

13. SINGLE RESPONSE

A single response to this RFP may be deemed a failure of competition and, at the sole option of the Treasurer's Office, the RFP may be canceled. Likewise, receipt of only one response may allow the state to claim it as a valid sole source acquisition of services.

14. ERRORS IN RESPONSE

The Treasurer's Office will not be liable for any errors in proposals from Vendors. Vendors will not be allowed to alter proposal documents after the deadline for submission of the proposals. The Treasurer's Office reserves the right to waive minor irregularities in the responses.

The Treasurer's Office reserves the right to make corrections or amendments to the response due to errors identified by the State or the Vendor. This type of amendment will only be allowed for such errors as typing, transposition, omission, or any other obvious error. Any changes will be date and time stamped and attached to the response. All changes must be coordinated in writing with, authorized by, and made by the RFP Coordinator. Vendors are liable for all errors or omissions contained in their responses.

SECTION II - SCOPE OF SERVICES

15. SCOPE OF WORK

The selected vendor will be required to support the requirements as outlined in section 16: Services to be Provided and section 17: Mandatory Minimum Qualifications. Also the selected vendor will be required to support the requirements of the specific state agency credit and/or debit card applications detailed in Attachment D: State Agency Requirements.

In addition, the selected vendor would be expected to support future agency implementation(s) with requirements that fall within the scope of this request for proposal (RFP) document. It is necessary for State agencies to demonstrate the feasibility of accepting credit/debit cards through presentation of a positive business case to the Office of Financial Management. Therefore, the ability to integrate credit/debit card acceptance into existing payment and accounting applications has become very important. It is understood that additional agencies would be supported under the same terms and conditions as the specific applications described in Attachment D: State Agency Requirements.

During the past decade, the payment processing industry has made significant advances utilizing technology and integrated processing to offer faster, computerized delivery of services. State agencies are using or exploring various innovative service delivery approaches, many of which involve electronic commerce. The State expects the selected vendor to provide a leadership role in the development and implementation of evolving electronic commerce technologies.

16. SERVICES TO BE PROVIDED

16.1. Processing Support for Multiple “Brands” and Types of Cards

The selected vendor must provide processing for multiple “brands” and types of cards. The selected vendor must be able to process both VISA and MasterCard, as well as both Discover and American Express transactions. In addition, State agencies accepting debit cards currently utilize the following debit networks: Star/Explore, Interlink, Maestro, Accel/Exchange. The selected vendor must arrange for and support any agreements required to process debit transactions from the debit networks listed above, at a minimum.

16.2. Transaction Processing and Settlement

The selected vendor must be able to process transactions and accept settlement files as described in the State agencies requirements detailed in attachment D: State Agency Requirements. The method of application varies by agency from standard point of sale equipment, to various types of software data capture via personal computer, to internet-based applications using third party processors.

The selected vendor shall at a minimum:

- Provide for the authorization and settlement of transactions through the appropriate authorization and settlement networks.
- Provide gross settlement using the Automated Clearing House (ACH) to designated State or State agency bank accounts for all payment and credit records processed. Debits to the state treasury for fees are not permitted; therefore, fees are to be billed on a monthly basis to each agency separately.
- Ensure that the ACH record provides sufficient identifying information to enable the Treasurer's Office to determine which State agency and/or section is to receive the funds. This will be accomplished by the assignment by OST of a unique location number for each agency which will follow through on the ACH record.
- Provide research and problem resolution related to transaction and/or settlement discrepancies.

16.3. **Reporting**

Reporting capabilities must be flexible enough to allow each agency to choose the report that meets their individual need. Each agency may or may not choose the same reports or reporting frequency and the system must allow for that.

Provide at a minimum daily and monthly detail and summary reports electronically to each individual state agency application to provide the information needed to receipt the payment to the proper accounts. Reports should also be available via mail or fax if electronic reporting is not desired by the agency. Depending on the agency and/or the application, there may be varying requirements in the amount of detail required. Some agencies will require summary and detail reporting at a higher level than Merchant ID or Terminal ID. For clarity, when a number of merchant ID numbers roll up to a higher level, we call this the association level.

The following is the minimum reporting requirements for state agencies. Specific reporting requirements are in attachment D: State Agency Requirements. Please provide samples of your reporting that show each specific requirement. If multiple reporting options are available, provide samples of each.

16.3.1. Daily Reports

16.3.1.1. Daily Sales by Terminal ID and/or Merchant ID credit and debit

- Totals by card type by Terminal ID and/or Merchant ID(sales, returns, net sales and transaction counts)
- Totals by card type rolling up all Terminals ID and/or Merchant ID numbers to an association level(sales, returns, net sales and transaction counts)
- Total by Terminal ID or Merchant ID (sales, returns, net sales and transaction counts)

16.3.1.2. Daily Transaction Activity by Terminal ID and/or Merchant ID

- Total transaction count by card type by Terminal ID and/or Merchant ID
- Total summary transaction count by card type rolling up all Terminal ID and/or Merchant ID numbers to an association level
- Total transaction count by card type for all locations
- Total transaction count by Terminal IDs and/or Merchant IDs

16.3.1.3. Daily Settlement Reporting by Terminal ID and/or Merchant ID and/or association level

16.3.2. Monthly Reports

16.3.2.1. Monthly Sales by Terminal ID and/or Merchant ID – credit and debit

- Totals by card type by Terminal ID and/or Merchant ID (sales, returns, net sales and transaction counts)
- Totals by card type rolling up all Terminal ID and/or Merchant ID numbers to an association level(sales, returns, net sales and transaction counts)
- Total by Terminal ID and/or Merchant ID (sales, returns, net sales and transaction counts)

16.3.2.2. Year to Date Sales by Terminal ID and/or Merchant ID and/or association level– credit and debit

16.3.2.3. Total by Terminal ID and/or Merchant ID (sales, returns, net sales and transaction counts)

16.3.2.4. Monthly Transaction Activity by Terminal ID and/or Merchant ID

16.3.2.5. Total transaction count by card type by Terminal ID and/or Merchant ID

16.3.2.6. Total transaction count by card type rolling up all Terminal ID and/or Merchant ID numbers to an association level

- 16.3.2.7. Total transaction count by card type all locations and/or Merchant IDs
- 16.3.2.8. Total transaction count by Terminal ID and/or Merchant ID
- 16.3.2.9. Year to Date by card type all locations
- 16.3.2.10. Year to Date by Terminal ID and/or Merchant ID

16.3.3. Other Required Reporting:

The Office of the State Treasurer, as administrator of this contract will require some specialized reporting in order to best manage the contract.

- Weekly Chargeback Report detailing all Chargebacks processed, Agency the Chargeback was for, Dollar amount, and reason for the chargeback.
- Daily notification of all chargebacks prior to the account being debited. This report can be received via email or fax.
- Monthly summary report that includes totals for both sales and transactions by card type for each agency. This summary report should also include Year to Date summary information for both sales and transactions by agency.

16.4. **Billing and Administration**

Provide a monthly invoice to each State agency for all transaction costs (processing fees and other fees) associated with the payment and credit records processed. Include sufficient back up documentation to support all costs invoiced, including breakout by card type and/or transaction type, gross sales, returns, net sales and transaction counts.

Establish merchant numbers and terminal identification numbers for each State agency application that will enable the State agency to identify each location processing transactions. Within the hierarchy of numbering systems, the ability to assign a unique location number is required. The specific requirements from agency to agency may vary and are identified in attachment D: State Agency Requirements.

The varying levels of state government include:

- State
- Agencies
- Divisions within agencies
- Sections/programs within divisions within agencies
- Individual locations within sections/programs

Some agencies may require invoicing and cost breakout down to the section level within an agency. This is due to the unique cost accounting required for agencies/programs receiving various forms of state and federal funding.

Some agencies will also require multiples of merchant and/or terminal IDs to be “rolled up” into a higher level. For example, the Liquor Control Board has 163 State Owned Stores each with a separate Merchant ID number. These all must be rolled up into one statement for all State owned stores.

Provide a sample invoice with backup documentation.

16.5. Training and Consulting

Provide training to agency personnel as required related to payment and credit/debit card processing requirements, such as procedures for handling retrieval requests, charge backs, accessing reports and transaction data, and/or other processes and procedures which may be required.

Work in consultation with the Treasurer’s Office and State agency personnel contemplating implementation of credit/debit card applications, to advise the agency regarding the most cost efficient alternative and/or innovative solution.

Keep both the Office of the State Treasurer and State agency personnel apprised of any and all changes to the operating regulations as provided by the card associations. Because the bankcard associations have traditionally made it difficult for merchants to obtain these regulations, we must rely on our acquiring bank to assist us in complying with the operating regulations. This is especially key in relation to the evolving rules concerning convenience fees that may or may not be charged to customers.

16.6. Equipment and Software

Provide equipment and software necessary for agencies to process credit cards per attachment D: State Agency Requirements and future applications for new agencies accepting credit/debit cards.

Provide equipment and software on a lease or rental basis for agencies desiring to implement a pilot project in limited scope to determine feasibility of implementing credit/debit card acceptance agency-wide.

Provide a repair/replacement program for equipment that fails.

16.7. Transition

Provide for the smooth transition of the required services for the state agencies listed in attachment D: State Agency Requirements. All costs related to transition must also be disclosed in Attachment A: Pricing Schedule, including any equipment and certification costs.

16.8. Other/Future Services (Desired Requirement)

The selected vendor would be expected to support future agency implementation(s) with requirements that fall within the scope of this request for proposal (RFP) document. It is understood that additional agencies would be supported under the same terms and conditions as the specific applications described in attachment D: State Agency Requirements.

During the past decade, the payment processing industry has made significant advances utilizing technology and integrated processing to offer faster, computerized delivery of services. State agencies are either using or exploring various innovative service delivery approaches, many of which involve electronic commerce. The State expects the selected vendor to stay abreast with this industry's trends and to work with agencies as they explore electronic commerce options.

The State is also exploring various options available to agencies that have large average ticket items where standard credit card processing is not cost effective or feasible due to the impact of credit card fees. In addition to credit cards as a payment method, the State is exploring various forms of ACH (automated clearing house) payments. This includes the ability to process checks as Point of Purchase (POP) transactions as well as process Internet-Initiated ACH (WEB/CCD) transactions. Currently we have no agencies processing POP transactions. However, we do have agencies processing Internet-Initiated ACH (both one-time and recurring) transactions under a convenience contract with the Department of Information Services.

16.8.1. Point of Purchase transactions:

- Provide equipment and software necessary to process POP ACH transactions.
- Provide for the daily settlement of funds
- Provide daily and monthly reporting
- Provide training and error resolution

- 16.8.2. Internet-Initiated ACH transactions:
- Provide equipment and software necessary to process WEB/CCD ACH transaction
 - Provide for the daily settlement of funds
 - Provide daily and monthly reporting

17. MANDATORY MINIMUM VENDOR QUALIFICATIONS

As of November 2005, vendors must meet all of the following minimum requirements in order to be considered for the contract award. Please indicate whether you can meet each requirement.

17.1. General Qualifications

- 17.1.1. The vendor must have at least five (5) years experience processing payment records and credit records transmitted for processing and settlement from major credit/debit card processing networks.
- 17.1.2. The vendor must, at the time of the proposal, or prior to that time if required by law, have all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform the work as required in the request for proposal.

17.2. Processing and Settlement

- 17.2.1. The vendor must support Alliance Data Systems as a processor.
- 17.2.2. The vendor must support CyberSource as a processor.
- 17.2.3. The vendor must be able to accept payment and credit records directly from the agencies applications and/or third party vendors on behalf of the agencies as detailed in Attachment D: State Agency Requirements.
- 17.2.4. The vendor must provide settlement to the State such that the proceeds from the payment and credit records are deposited into the State account(s) no later than 48 hours after the payment and credit records are sent (batched) by the agency applications
- 17.2.5. Settlement dollars cannot reside in an out-of-state bank prior to deposit into the state's account(s), per RCW 39.58.080. See Attachment E: Deposit of Public Funds.
- 17.2.6. At a minimum, the vendor must address the ability of their system to break down information by agency, and in some cases by agency location, section, or program, and to fully disclose when money will be transmitted for deposit to the State bank account(s).
- 17.2.7. The vendor must provide daily gross settlement to the State and monthly billing/invoicing of fees individually by agency.

17.3. Customer Service

- 17.3.1. The vendor must provide a 24 hour seven days a week 1-800 or other Help Desk facility for customer assistance to state agencies.
- 17.3.2. The vendor must assign an account representative to the State who would be responsible for coordinating all activities necessary to service, train, and implement systems with all agencies that may come under this agreement.
- 17.3.3. Because of the complex nature of this RFP, and the number of different agencies that must be supported, the account representative proposed for this engagement must have a minimum of three years experience in providing credit/debit card services. This requirement will also apply to any future representative assigned to the State of Washington.
- 17.3.4. The vendor must agree to provide the necessary staffing to meet all of the requirements detailed in this RFP. The vendor agrees to make staff available to meet with the State as frequently as needed to ensure that the State of Washington's needs are being met.

SECTION III – PROPOSAL PREPARATION AND CONTENT REQUIREMENTS

18. SUBMISSION OF PROPOSAL

- 18.1. Vendors must submit five (5) hard copies of the proposal. One (1) copy must have original signatures and four (4) copies can have photocopied signatures.
- 18.2. Vendors must submit one (1) electronic copy of the proposal on a compact disk, in either Adobe Acrobat (.pdf), or Microsoft Word (.doc) format.
- 18.3. The copy containing original signatures must be unbound and must be marked "Master Copy." The original copy of the proposal must be accompanied by the "Summary Information and Proposal Return Cover Page" (page 4 of the RFP) which has been completed and signed by the Vendor's representative who is authorized to bind the vendor contractually.
- 18.4. The proposals must be received by the RFP Coordinator by 5:00 p.m., Pacific Standard Time, September 30, 2005. The State will not accept faxed proposals.
- 18.5. Terms and prices included in the response must be guaranteed for 120 days from the date of receipt.

- 18.6. Late proposals will not be accepted, nor will time extensions be granted. It is the sole responsibility of the Vendor to ensure receipt of proposals by the RFP Coordinator by the specified date and time and at the specified location.
- 18.7. All proposals and accompanying documentation become the property of the Treasurer's Office and will not be returned.
- 18.8. Proposals which are substantially incomplete will be disqualified from further consideration.

19. PROPRIETARY RESPONSE MATERIAL

Contactor acknowledges that OST is subject to Washington law regarding public access to public records and information. Responses to this RFP and any contract executed in response to this RFP shall be a public record as defined in Chapter 42.17 Revised Code of Washington. Any specific information that is claimed by a Proposal Submitter or Contractor to be confidential or proprietary must be clearly identified as such. To the extent consistent with Washington law, OST shall maintain the confidentiality of all such records marked confidential or proprietary. If a request is made to view any information deemed confidential or proprietary, OST will promptly notify the Proposal Submitter or Contractor of the request and the date that such records will be released to the requestor and unless the Submitter or Contractor deeming those records proprietary or confidential obtains from a Washington court a protective order or other injunctive relief from disclosure. If the Submitter or Contractor fails to obtain a court order enjoining disclosure prior to the release date, OST will release the information to the requestor.

The scope of service included in the RFP response of the successful vendor will be included in the resulting contract. Therefore, as part of a public state agency contract, the entirety of the vendor's response will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should the vendor obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its Response, the Treasurer's Office will comply with the court order. The burden is upon the vendor to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

The Treasurer's sole responsibility shall be limited to maintaining the above data in a secure area and to notify vendor of any request(s) for disclosure within a period of six (6) years from date of award. Failure to adequately notify OST that materials or records that are deemed "confidential" as required above, or failure to timely respond after notice of request for public disclosure has been given, shall be deemed a waiver by the vendor of any claim that such materials are exempt from disclosure.

20. CONTRACTUAL REQUIREMENTS

The successful Vendor is expected to enter into an agreement that contains substantially the same general terms and conditions as shown in Attachment B: Contract Standard Terms and Conditions. To be responsive to this RFP, Vendors must indicate, in writing, their complete acceptance of all provisions. However, Vendors may propose revisions to the contract terminology for clarification and procedural purposes ONLY. The substantive and philosophical aspects of the agreement are non-negotiable.

To be considered responsive to this RFP, Vendors must include a copy of any standard merchant card agreement that the Vendor proposes to become a part of the final contract, as well as any language the Vendor requires specific to the services provided under this agreement.

In the event of a conflict between the clauses required by the State and the clauses submitted with the proposal, the clauses required by the State will govern.

21. CLARITY OF PROPOSAL

Proposals should be prepared simply and economically, providing straightforward, concise descriptions of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

22. ORGANIZATION OF PROPOSAL

Proposals should be organized in the order in which the requirements are presented in Section 24 – Proposal Contents of this RFP. All pages of the proposal should be numbered, and each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. The proposal should contain a table of contents which cross references the RFP requirements. Additional information which the Vendor wishes to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material.

23. SINGLE VOLUME

Each copy of the proposal shall be contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

24. PROPOSAL CONTENTS

Vendor's proposal must address each of the requirements noted below in the same order as listed to be considered responsive. The proposal should be as thorough and detailed as possible so that the Evaluation Committee can properly evaluate your organization's capability to provide the required services and the proposed pricing structure. **Proposals that merely state that the firm will conduct the services in accordance with the respective sections shall be considered non-responsive to this request.**

Proposals should be prepared on 8 1/2 x 11 inch paper, however, 11 x 14 inch paper is permissible for charts, spreadsheets, etc.

The proposal shall include the following sections, separated by Tabs:

TAB 1: General Qualifications:

1. Submit the "Summary Information and Proposal Return Cover Page", located on Page 4, signed by a representative of your organization who can officially represent the respondent for this acquisition.
2. To be considered responsive, Vendors must, at the time of the proposal, or prior to that time if required by law, be an established business with all required licenses, bonding, facilities, equipment and trained personnel necessary to perform the work as specified in the request for proposal. Include a statement in the response regarding license information, years in business and general ability of Vendor to perform the work requested.

TAB 2: Deliverables:

1. Provide a detailed response to the Scope of Services required in Section II and individual agency requirements detailed in attachment D: State Agency Requirements. The response should be in the same order as the Scope of Services and Appendices and include product samples.
2. Complete and include the Questionnaire attached hereto as Attachment C: Questionnaire. All responses to the questionnaire shall be subject to verification for accuracy. Proposals containing false or misleading information deemed to be material will be rejected.

TAB 3: Pricing:

Complete and attach the pricing schedule form located in Attachment A: Pricing Schedule which must list each chargeable item and/or service to be provided by

your organization. Detail any additional costs as “Other” services, if any. NOTE: All charges must be detailed here. Any charges not listed in this section of the Vendor’s proposal will not be allowed during the course of the contract unless the scope of the contract is expanded to include additional services not requested herein.

TAB 4: Creative Solutions:

All Vendors are encouraged to be creative and innovative in responding to this RFP. Please discuss alternate approaches to the requested services where feasible, or additional services offered which may not be specifically requested.

Discuss any creative pricing or payment options which you can provide.

TAB 5: Certification:

The Vendor is required to make the following certifications and assurances as a required element of the proposal to which they are attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award and continuation of the contract resulting from this RFP.

The Vendor certifies that it and/or its authorized representative do not have:

- Any affiliations with person(s) recognized by law enforcement officers as being habitual criminals or members of criminal cartels.
- Any convictions or judgments (civil or criminal) for fraud, deceit, or crimes involving moral turpitude.
- A petition under the Bankruptcy Act, or any state insolvency law, filed by or against any of the named entities.
- Any order, judgment, or decree of any federal or state authority barring, suspending, or otherwise limiting the right or license of the Vendor to engage in any business practice or activity.
- A subsidiary or intermediate company, parent company or holding company that was, during the last two (2) years, the subject of any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Vendor or such other party as listed above to engage in any business, practice or activity.

TAB 6: Contract Acceptance:

1. Provide a letter on your organization's letterhead stating your acceptance of the Standard Terms and Conditions of the Agreement, included as Attachment B: Contract Standard Terms and Conditions. Any terminology changes to the Agreement (for clarification and procedural purposes only) will need to be included in this letter. NOTE: Any terminology changes submitted are subject to approval by the Treasurer's Office.
2. Include a copy of any standard merchant card agreement that the vendor proposes to become a part of the final contract, as well as any language the vendor requires specific to the services provided under this agreement.

TAB 7: Proof of Insurance:

Each vendor must supply proof of insurance from that vendor's insurance carrier, outlining the extent of liability coverage of \$1.5 million at a minimum. This requirement will be reviewed no less than annually to ensure adequate protection of state funds.

TAB 8: List of Exceptions:

This section should contain any exceptions to or deviations from the requirements of this RFP. Vendor must clearly state and explain any exceptions. If there are no exceptions, a statement of that effect must be made.

SECTION IV – EVALUATION OF RESPONSES

25. EVALUATION PROCEDURES

The Vendor must satisfy the mandatory requirements of this RFP to qualify for further consideration. Staff from the Treasurer's Office and Stakeholder agencies will perform a technical and financial evaluation of each Vendors' response. The evaluation process will determine the merits of the Vendors' approach and relative competitive position.

It is the intent of this section to indicate the basic methodology that will be used to evaluate all proposals.

26. BASIS FOR EVALUATION

The General Qualifications, Deliverables, and Pricing responses will be evaluated on the basis of information provided in the proposal.

27. EVALUATION COMMITTEE

All proposals will be reviewed by the Evaluation Committee. The Committee will consist of Treasurer's Office and State Agency personnel. The Committee will consider how well the Vendor's response meets all requirements as described. It is important that the responses be clear and complete so that the evaluators can adequately understand all aspects of the proposal.

28.EVALUATION CRITERIA

The following criteria and relative values will be used by the evaluation committee to evaluate each written proposal:

General Qualifications	10 %
Deliverables	50 %
Pricing	40 %

Oral presentations, if required, will be scored separately.

The scores for the first three elements will be used in the selection of the finalist Vendors. The finalist Vendors may be asked to present a demonstration of their system and/or participate in a final interview.

The responses will be evaluated strictly in accordance with the requirements set forth in this RFP and any amendments thereto.

SECTION V – CONTRACT SPECIFICATIONS

29.CONTRACT INFORMATION

The "Standard Terms and Conditions" of the Agreement for Merchant Bank Card Services, located in Attachment B: Contract Standard Terms and Conditions, must be included in the final negotiated contract with the successful Vendor.

30.AWARD OF CONTRACT

The Treasurer's Office shall conduct contract negotiations with the Vendor who has met the mandatory requirements and has scored highest on the basis of the evaluation points. If the Treasurer's Office and the Apparent Successful Vendor fail to negotiate an agreement deemed acceptable by the Treasurer's Office, the Treasurer's Office reserves the right to negotiate a contract with the next most qualified Vendor.

After successful contract negotiations have been completed, the Apparent Successful Vendor will be awarded a Master Agreement for Merchant Bank Card Services for the State of Washington which will include all requirements, terms and conditions of this solicitation and the Vendor's response.

31. PROTEST PROCEDURES

In the event a respondent protests this RFP process or protests the selection of an "Apparent Successful Vendor", the respondent must follow the procedures set forth in the paragraphs below.

31.1. Protests and appeals—Form and substance.

All protests and appeals must be in writing and signed by the protester or appellant or an authorized agent. Such writing must state all facts and arguments on which the protester or appellant is relying as the basis for its action. Such protester or appellant shall also attach, or supply on demand by the Hearing Officer designated by the Deputy Treasurer, any relevant exhibits referred to in the writing. Copies of all protests, appeals, and exhibits shall be mailed or delivered by the protester or appellant to the respondent(s) against whom the protest is made at the same time such protest, appeal, and exhibits are submitted to the State Treasurer's Office.

31.2. Protest procedure prior to award.

Prior to award, a respondent desiring to protest the proposal of another respondent must send or deliver its protest to the RFP Coordinator in charge of the RFP process as soon as possible after it becomes aware of the reason(s) for the protest. If the protest is mailed, the protester shall immediately notify the RFP Coordinator in charge of the proposal by telephone, or some other means of instant communication, that a protest is being made.

The RFP Coordinator shall consider all of the facts available and issue a decision in writing within ten business days after receipt of the protest, unless more time is needed. The protester and the respondent(s) against whom the protest is made will be notified if longer time is necessary. If the protesting respondent or the respondent against whom the protest is made is not satisfied with the decision of the RFP Coordinator, he/she shall have the right to appeal to the Hearing Officer designated by the Deputy Treasurer. Such appeal must be received by the Hearing Officer designated by the Deputy Treasurer within five business days after notification of the RFP Coordinator's decision. The Hearing Officer designated by the Deputy Treasurer shall consider all of the facts available and issue a decision in writing within ten business days after receipt of the appeal, unless more time is needed. The appealing respondent will be notified if longer time is necessary.

Unless the Treasurer's Office deems an emergency to exist, award of the contract, if one is to be made, will be postponed until after the Hearing Officer designated by the Deputy Treasurer has issued a decision.

31.3. Protest procedure after award.

Protests after award will not be considered unless the protest concerns a matter which arises after the award or could not reasonably have been known or discovered prior to award. Such protests shall be received by the Hearing Officer designated by the Deputy Treasurer not later than five business days after announcement of the award. If the protest is mailed, the protester shall immediately notify by telephone, or some other means of instant communication, the RFP Coordinator and the respondent that has received the award that a protest is being made. The Hearing Officer designated by the Deputy Treasurer shall consider all of the facts available and issue a decision on the protest within ten business days after receipt thereof, unless more time is needed. In such event, the protester and the respondent that has received the award shall be notified of any delay.

If the Hearing Officer designated by the Deputy Treasurer finds that the award should not have been made, he/she shall notify the respondent which received the award of his/her intent to cancel the award and the reasons therefor. Such respondent shall then have five business days in which to appeal the decision to the Hearing Officer designated by the Deputy Treasurer. The Hearing Officer designated by the Deputy Treasurer shall consider all of the facts available and issue a decision within ten business days after receipt of the appeal, unless more time is needed. If more time is needed, the respondent shall be so notified.

If the Hearing Officer designated by the Deputy Treasurer agrees that the award should be canceled he/she shall cancel the award within ten business days after the decision is delivered to the respondent to whom the contract had been awarded. All bids shall then be rejected and new bids solicited.

ATTACHMENT A – PRICING SCHEDULE

1. Instructions and Information

In preparing the fee schedule(s), vendors must consider the requirements in Section II, Scope of Services and additional information on transactions, application requirements and reporting as detailed in this RFP.

- 1.1. All fees will be paid monthly in arrears.
- 1.2. Invoices submitted for payment must be presented in sufficient detail to enable the State to verify the charges to the fee schedules included in this proposal. Any fee not documented in these schedules will not be allowed during the contract period. Therefore, any fee charged by the successful vendor which is not detailed in the fee schedule will not be paid
- 1.3. The successful vendor will be required to submit separate invoices for payment to each state agency participating in the agreement resulting from this RFP.

2. Transaction Processing

The State recognizes that pricing for credit card processing includes Visa/MasterCard interchange and assessments as well as processor fees. Two options are available for bidders to detail their pricing schedule.

Note: the State has current agreements with Discover and American Express wherein the rate for their card transactions has been established. Some agencies may wish their Discover and American Express transactions to settle at the same time as their Visa and MasterCard transactions. Please indicate if this is possible, and if so, provide pricing for these transactions below under section 3.3. Because this is not a mandatory requirement, this option will not be considered in the scoring.

2.1. Option 1

Interchange and assessment costs incurred by the vendor will be passed directly to each state agency on a monthly basis, AND, in the event Interchange increases or decreases at any transaction qualification level, the new rate will be passed directly to the agency. In addition, the processor may charge a per transaction fee, and the Acquirer may charge a per transaction discount fee.

If responding using Option 1, provide the most current Interchange rates for Visa and MasterCard.

2.2. Option 2

Charges are rolled into a composite rate including all fees.

If responding using Option 2, please complete the fee matrix by average ticket and transaction type.

2.3. Pricing Comparison:

For both Option 1 and Option 2, complete item 3. Pricing schedule for all other charges.

For comparison purposes during the evaluation process, the following algorithm will be applied to those responses using Option 1: a composite rate will be developed using the following formula:

Processor Fee, plus assessments, plus interchange with a blend of 80% VISA and 20% MasterCard at the following interchange levels:

VISA: 57% CPS Retail 2, 30% CPS Retail 2 Dr, 13% Commercial Standard

MasterCard: 68% Public Sector, 17% Emerging Markets Dr, 15% Corporate Standard

3. Pricing Schedule

This schedule is meant to allow vendors to address all costs of services. Please ensure that all costs associated with the systems described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

The state is seeking responses that recognize the unique nature of government transactions, i.e., less risk of fraud, etc. The state is seeking responses that recognize volume discounts for all agencies based on total volume for the state as a whole. Also, the state is seeking pricing parity between those agencies with low per transaction ticket prices, and those with larger per transaction prices. Please comment on your ability to accomplish this requirement.

- | | | |
|------|--|-------|
| 3.1. | Monthly Service/Maintenance Charge
Specify terms for monthly charge, i.e., per agency, per merchant identification number, etc. | _____ |
| 3.2. | Transaction Fees (other than Visa/MasterCard interchange) | _____ |
| | • Processor transaction fees | _____ |
| | • Acquirer fees | _____ |
| | • Settlement Institution fees | _____ |
| | • Other (specify) _____ | _____ |
| | • Other (specify) _____ | _____ |
| 3.3. | Authorization Fees | |

- Discover/Novus _____
 - American Express _____
- 3.4. Debit Card Transaction Fees _____
- 3.5. Reporting Fees
Specify terms, i.e., prices are per month, per report, etc.
- Daily Reports _____
 - Monthly Reports _____
 - Data File _____
 - Monthly Report for State Treasurer _____
 - Software _____
 - Other (Specify) _____
- 3.6. Help Desk
Specify terms: _____
- 3.7. Transaction authorization & processing software for
personal computer application (specify):
- _____
- _____
- _____
- 3.8. Hardware:
- Terminals (specify) _____
 - Printers (specify) _____
 - Pin/Pad (specify) _____
 - Terminal/Printer (specify) _____
 - Keyboard Swipe _____
 - Other (specify) _____
 - Other (specify) _____
 - Other (specify) _____
- 3.9. Lease/rental equipment for pilot projects:
Specify _____
- 3.10. Equipment maintenance/repair
Specify _____
- 3.11. Volume Discounts:
Detail discount applied if transaction/dollar volumes reaches a specified
level:
- _____

3.12. Other Costs:
Detail any additional costs in the space provided:

All charges must be detailed on this Attachment. Any charges not listed in this Pricing Schedule will not be allowed during the course of the contract unless the scope of the contract is expanded to include additional services not requested herein.

Option 2 - Fee Schedule Matrix

Please complete the following matrix by inserting the fee you propose for each transaction type listed below.

Average Ticket Amount (\$)	In Person Signature Captured	Internet	With Address Verification	
			Mail Order/ Telephone Order	Internet
\$4.00				
5.00				
10.00				
15.00				
20.00				
25.00				
30.00				
35.00				
40.00				
45.00				
50.00				
55.00				
60.00				
65.00				
70.00				
75.00				
80.00				
85.00				
90.00				
95.00				
100.00				
105.00				
110.00				
115.00				
120.00				
125.00				
130.00				
135.00				
140.00				
145.00				
150.00				
200.00				
300.00				
400.00				
500.00				
600.00				
700.00				

800.00				
900.00				
1000.00				
1500.00				
2000.00				

ATTACHMENT B - CONTRACT STANDARD TERMS AND CONDITIONS

CONTRACT TERM.....	35
1. CONTRACTING PARTIES.....	35
2. DEFINITION OF TERMS.....	35
3. TERM OF AGREEMENT AND SURVIVORSHIP OF TERMS.....	36
SCOPE OF SERVICES	36
CONTRACT ADMINISTRATION	36
5. NOTICES	36
6. INCORPORATED DOCUMENTS	37
7. CONFLICT AND SEVERABILITY	37
8. ORDER OF PRECEDENCE	37
9. GOVERNING LAW.....	38
10. ASSIGNMENT	38
11. INDEPENDENT CAPACITY	38
12. STATE CONTRACT ADMINISTRATOR	38
13. CONTRACTOR'S ACCOUNT MANAGER.....	38
14. CONSENT.....	39
15. ADVERTISING	39
GENERAL PROVISIONS.....	39
16. PERSONAL LIABILITY	39
17. HOLD HARMLESS AND INDEMNIFICATION	39
18. NONDISCRIMINATION AND AFFIRMATIVE ACTION.....	39
19. GIFTS AND GRATUITIES.....	40
20. CONFLICT OF INTEREST.....	40
CONTRACTOR RESPONSIBILITIES.....	40
21. RESPONSIBILITY TO ACT WITH DUE CARE	40
22. CONFIDENTIALITY OF STATE RECORDS.....	40
23. RECORDS, DOCUMENTS, AND REPORTS	41
24. CONTRACTOR COMMITMENTS, WARRANTIES, AND REPRESENTATIONS.....	41
25. REGISTRATION WITH THE DEPARTMENT OF REVENUE	42
26. LICENSING ACCREDITATION STANDARDS	42
27. WORKERS' COMPENSATION INSURANCE COVERAGE	42
28. AUDITING	42
DISPUTES AND REMEDIES.....	43
29. RIGHTS AND REMEDIES	43
30. FORCE MAJEURE.....	43
31. DISPUTES	44
32. DAMAGES	44
PRICING, INVOICE AND PAYMENTS.....	45
33. PRICE INCREASES.....	45
34. ADVANCE PAYMENTS PROHIBITED	45
35. PAYMENTS	45
36. TAXES.....	45
CONTRACT TERMINATION	45

37. TERMINATION FOR CONVENIENCE.....	46
38. TERMINATION FOR REDUCTION IN FUNCTION OR WITHDRAWAL OF AUTHORITY	46
39. TERMINATION FOR BREACH	46
40. TERMINATION BY MUTUAL AGREEMENT	46
41. TERMINATION PROCEDURE	46
42. TERMINATION-RELATED OBLIGATIONS ANTECEDENT TO DATE OF TERMINATION	47
43. TERMINATION FOR MERGER OR ACQUISITION.....	47
CONTRACT EXECUTION	47
44. AMENDMENTS.....	47
45. LIMITATION OF STATE'S AUTHORITY	48
46. ENTIRE AGREEMENT	48
47. COUNTERPARTS	48
48. SIGNATURE BLOCKS.....	48

CONTRACT TERM

1. CONTRACTING PARTIES

This Agreement is entered into by and between the Office of the State Treasurer (OST), an agency of the Washington State government, hereinafter referred to as the "State" or as "OST", and _____, fully qualified and licensed to conduct business in the state of Washington, and hereinafter referred to as the "Contractor."

OST hereby awards to _____ this Agreement Merchant Services, hereinafter referred to as "Services", as listed and described in the RFP for Merchant Services attached hereto as Exhibit A and acknowledged in the Contractor's proposal attached hereto as Exhibit B, and governed by the pricing set forth in Exhibit C, which by this reference are made a part hereof, as though completely set forth herein, subject to and in accordance with the terms of this Agreement.

2. DEFINITION OF TERMS

Definitions as used throughout this Agreement shall have the meanings set forth below:

"Exhibit A" shall mean the Request for Proposal (RFP) for Merchant Services issued by the Office of the State Treasurer, dated _____.

"Exhibit B" shall mean the _____'s proposal in response to the State RFP for Merchant Services.

"Exhibit C" shall mean the Pricing Schedule for Merchant Services.

"State Contracting Officer" shall mean the State Treasurer or designee.

"State Contract Administrator" shall mean the cash management division manager, who has been designated to administer this Agreement on behalf of the state of Washington.

"Contractor" shall mean _____. It shall also include any subcontractor retained by Contractor as permitted under the terms of this Agreement.

"Contractor's Account Manager" shall mean an employee of the Contractor who is permanently assigned as the primary contact person whom the State Contract Administrator shall work with for the duration of this Agreement.

"State" shall mean the state of Washington; acting through the Office of the State Treasurer, or as otherwise identified.

"Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those Services under this Agreement under a separate contract with the Contractor. The term "subcontractor" means subcontractor(s) of any tier.

"Merchant Services" may also be referred to as "Services," and shall be inclusive of all services, including associated support services, and maintenance provided pursuant to this Agreement.

"Service Period" shall mean the calendar month in which services were provided.

"RCW" shall mean the Revised Code of Washington (Washington State Law).

"WAC" shall mean the Washington Administrative Code.

3. TERM OF AGREEMENT AND SURVIVORSHIP OF TERMS

The term of this Agreement shall commence upon execution of the Agreement by all parties through _____.

SCOPE OF SERVICES

4. The Contractor agrees to provide Merchant Services, under the terms of this Agreement and as detailed in the RFP Response submitted to the State through the State Treasurer, for State agencies approved to utilize such services.

CONTRACT ADMINISTRATION

5. NOTICES

Any notice or demand which, under this Agreement or applicable law, must or may be given by the Contractor, or the State, shall be in writing, properly addressed and, as an alternative to personal delivery, made by the most expeditious means available, with regard given to the time sensitivity of notice or demand being made.

TO THE CONTRACTOR:

TO THE STATE:

Any such notice or demand may be transmitted via facsimile, provided that written notice as provided above is simultaneously given. For purposes of facsimile transmissions, the parties shall use the following numbers:

Office of the State Treasurer: (360) 902-8945
Contractor:

6. INCORPORATED DOCUMENTS

This Agreement shall consist of the terms and conditions as set forth herein and the following documents which are incorporated herein by reference:

- a. "Exhibit A" shall mean the Request for Proposal (RFP) for Merchant Services issued by the Office of the State Treasurer, dated _____
- b. "Exhibit B" shall mean the _____'s proposal in response to the State RFP for Merchant Services.
- c. "Exhibit C" shall mean the Pricing Schedule for Merchant Services.
- d. Subsequent amendments or addendum.

7. CONFLICT AND SEVERABILITY

In the event of conflict between contract documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Agreement to afford the State maximum benefits.

Any provision of the document found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the document.

8. ORDER OF PRECEDENCE

The headings used herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions.

If any provision of this Agreement shall be deemed to be in conflict with any statute or rule of law, such provisions shall be deemed modified to conform to said statute or rule of law. In the event of any inconsistency in this Agreement, the inconsistency shall be resolved in the order of precedence stated below:

- a. Applicable Federal and State Statutes and Regulations.
- b. The Terms and Conditions of this Agreement.

9. GOVERNING LAW

This Agreement shall be governed in all respects by, and construed in accordance with the law and statutes of the state of Washington. The venue of any action hereunder shall be exclusively in the Superior Court for Thurston County, Washington.

10. ASSIGNMENT

Except as otherwise provided in this Agreement, the Contractor shall not subcontract or assign its obligations under this Agreement without the prior written consent of the OST Contract Administrator. The Contractor shall be responsible to ensure that all requirements of the Agreement shall be communicated to any and all subcontractors.

11. INDEPENDENT CAPACITY

The parties intend that an independent contractor relationship will be created by this Agreement. The Contractor and his or her employees performing under this Agreement are not employees of the state. The Contractor will not hold himself/herself out as nor claim to be an officer or employee of the state of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

12. STATE CONTRACT ADMINISTRATOR

The State shall appoint an individual who will be the Contract Administrator for this Agreement and will provide oversight of the activities conducted hereunder. The State Contract Administrator will manage this Agreement on behalf of the State, and will be the principal point of contact for the Contractor concerning the Contractor's performance hereunder. The State shall notify the Contractor, in writing, when there is a change in staffing and a new Contract Administrator is assigned to this Agreement.

13. CONTRACTOR'S ACCOUNT MANAGER

The Contractor shall appoint an individual who will be the Account Manager for the State account. The Contractor's Account Manager will be the principal point of contact for the State concerning the Contractor's performance hereunder. The Contractor's Account Manager will also serve as the focal point for business matters, support coordination, and administrative activities. The Contractor shall notify the State, in writing, if a new Account Manager is assigned.

14. CONSENT

Both parties agree that whenever a party's consent is required under the terms of this Agreement, that consent shall not unreasonably be delayed or withheld.

15. ADVERTISING

The Contractor shall not advertise or publish information concerning this contract in any form or media without prior written consent from the State.

GENERAL PROVISIONS

16. PERSONAL LIABILITY

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the State be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement or representation made herein or in any connection with this Agreement.

17. HOLD HARMLESS AND INDEMNIFICATION

Contractor agrees to indemnify and hold harmless the State, the Office of the State Treasurer, and any agency authorized to receive services under this Agreement, and the employees of the State and the said agencies, from and against any and all claims, losses, costs, damages, liabilities and expenses related to this Agreement which results from:

- A failure by the Contractor or its subsidiaries, affiliates, agents, subcontractors, representatives or employees, to comply with any applicable federal, state or local law, rule or regulation;
- The negligent act or omissions or the breach of this Agreement by the Contractor, its subsidiaries, affiliates, agents, subcontractors, representatives or employees; or
- Fraudulent or intentional acts by the Contractor or its agents, subcontractors, representatives or employees.

18. NONDISCRIMINATION AND AFFIRMATIVE ACTION

Acceptance of this contract binds the Contractor to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964, as may be amended:

In that "No person in the United States shall, on the grounds of race, color, national origin, sex or age, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Unless exempted by Presidential Executive Order #11246, as may be amended or replaced and applicable regulations thereunder, the Contractor shall not discriminate against any employee or applicant for employment.

19. GIFTS AND GRATUITIES

In accordance with Chapter 42.52 RCW, Ethics in Public Service Act, it is unlawful for any person to accept, directly or indirectly, any compensation, gratuity, or reward in connection with this Agreement from any person beneficially interested therein.

20. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this contract.

CONTRACTOR RESPONSIBILITIES

21. RESPONSIBILITY TO ACT WITH DUE CARE

The Contractor shall exercise Due Care in performing its services hereunder.

22. CONFIDENTIALITY OF STATE RECORDS

The Contractor acknowledges that material and information which has or will come into its possession or knowledge in connection with this Agreement, or its performance, may consist of confidential and proprietary data, the disclosure of which to, or use by, third parties could be damaging.

The Contractor, therefore, agrees to hold all such material and information in strictest confidence, not to make use thereof other than for the performance of this Agreement, to release it only to authorized employees requiring such information, and not to release, sell or disclose it to any other party.

Access to information concerning such information shall not be granted except as authorized by law or agency rule.

Notwithstanding anything apparently to the contrary in the preceding provisions of this Section, the Contractor may release the material and information described in this Section to its internal and external auditors (whether employees of the Contractor or others) for official use and may also release it pursuant to a subpoena or other order issued by a court of competent jurisdiction. The Contractor shall promptly notify the State of any such subpoena or order upon its receipt.

23. RECORDS, DOCUMENTS, AND REPORTS

The Contractor shall maintain all books, records, documents, data and other evidence relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Agreement, shall be subject at all reasonable times to inspection, review or audit by the State, personnel duly authorized by the State, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

24. CONTRACTOR COMMITMENTS, WARRANTIES, AND REPRESENTATIONS

Any written commitment by the Contractor within the scope of this Agreement shall be binding upon the Contractor. Failure of the Contractor to fulfill such a commitment may constitute breach and shall render the Contractor liable for damages due the State under the terms of this Agreement.

For purposes of this Agreement, a commitment by the Contractor, which must be in writing, includes: (1) prices and options committed to remain in force over a specified period(s) of time; (2) any warranty or representation made by the Contractor in a proposal as to Service performance; (3) any warranty or representation made by the Contractor concerning the characteristics of items in (2) above, contained in any literature, descriptions, or specifications accompanying or referred to in a proposal; (4) any modification of or affirmation or representation as to the above which is made by Contractor in writing whether or not incorporated into a formal amendment to the proposal in question; and (5) any representation by the

Contractor in a proposal, supporting documents or amendments thereto as to, services to be performed, prices and options committed to remain in force over a fixed period of time, or any other similar matter regardless of the fact that the duration of such commitment may exceed the duration of this Agreement.

25. REGISTRATION WITH THE DEPARTMENT OF REVENUE

The Contractor shall complete registration with the Department of Revenue, General Administration Building, Olympia, Washington 98504, and be responsible for payment of all taxes due on payments made under this Agreement.

26. LICENSING ACCREDITATION STANDARDS

The Contractor shall comply with all applicable local, state, and federal licensing requirements and standards necessary in the performance of this Agreement.

27. WORKERS' COMPENSATION INSURANCE COVERAGE

The Contractor shall provide or purchase applicable workers' compensation insurance coverage prior to performing work under this contract. The State will not be responsible for payment of industrial insurance premiums for the Contractor, or any subcontractor or employee of the Contractor, which might arise under the workers' compensation insurance laws during performance of duties and services under this contract. Should the Contractor fail to secure workers' compensation insurance coverage or fail to pay premiums on behalf of employees, the State may deduct the amount of premiums owing from the amounts payable to the Contractor under this contract and transmit the same to the appropriate workers' compensation insurance fund.

28. AUDITING

The Contractor shall permit representatives of the State Treasurer, an auditor selected by the State, and/or the Auditor of the state of Washington or their authorized assistant to examine the records of the Contractor relating to the services rendered under this Agreement. If the Contractor has contracted with a subcontractor(s), the Contractor shall require its subcontractor(s) to provide similar access to the designated State officials or their representatives.

Any audits required by this section which do not necessitate the compilation of records in addition to those which are otherwise required by other sections of this Agreement may be conducted without notice. Any audits required by this section which require the compilation of records in addition to those which are otherwise

required by this Agreement may be conducted upon ten (10) days written notice from the State to the Contractor.

The provisions of this section shall remain in effect for eighteen (18) months after the expiration, or sooner termination, of this Agreement. Records of State transactions must be kept for a period of no less than six (6) years from the date of the transaction, consistent with the terms of Section 25.

DISPUTES AND REMEDIES

29. RIGHTS AND REMEDIES

In the event of any claim for default or breach of contract, no provision in this Agreement shall be construed, expressly or by implication, as a waiver by the State of any right to insist upon the strict performance of any term or condition of the Agreement or to exercise or delay the exercise of any right or remedy provided in the Agreement or by law, or as the acceptance of (or payment for) services, or to release the Contractor from any responsibilities or obligations imposed by this Agreement or by law. Acceptance by the State of unsatisfactory performance with or without objection or reservation shall neither waive the right to claim damage for breach nor constitute a waiver of requirements for satisfactory performance of any obligation remaining to be performed by the Contractor.

30. FORCE MAJEURE

Definition: Neither party shall be liable to the other or deemed in default under this contract if and to the extent that such party's performance of this contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and could not have been avoided by exercising due care. Force majeure shall include acts of God, war, riots, strikes, fire, floods, earthquakes, epidemics, terrorism or other similar occurrences.

Notification: If either party is delayed by force majeure, said party shall provide reasonable notice to the other party that there will be delay or non-delivery of reports or services. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended for a period equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this contract.

Rights Reserved: The State reserves the right to cancel the contract and/or purchase services from the best available source during the time of force majeure, and the Contractor shall have no recourse against the State.

31. DISPUTES

Except as otherwise provided in this Agreement, when a bona fide dispute concerning a question of fact arises between the State and the Contractor, and it cannot be resolved, either party may initiate the dispute resolution procedure provided herein.

Time is of the essence in resolving disputes. The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party must respond in writing within two (2) state working days.

Then, both parties shall have three (3) state working days to negotiate in good faith to resolve the dispute. If the dispute cannot be resolved after three (3) state working days, either party may request that a panel of arbitrators be appointed. Upon mutual agreement of the parties, the dispute shall be resolved by arbitration.

Where the parties agree to arbitrate the dispute, each party will designate an arbitrator, and those two arbitrators will appoint a third arbitrator to the panel.

- The panel will review the written descriptions of the dispute, gather additional information as needed, and render a decision on the dispute in the shortest practical time.
- The parties shall share the costs of arbitration.
- Both parties agree to be bound by the determination of the panel of arbitrators.

Both parties agree to exercise good faith in dispute resolution and to avoid arbitration and litigation whenever possible.

The State and the Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities, under this Agreement, which are not affected by the dispute.

32. DAMAGES

If the Contractor does not meet the specified Service requirements as detailed in the Scope of Services Section of this Agreement, the Contractor shall be required to negotiate a settlement with the State Contracting Officer for an appropriate reduction in charges and/or compensation for lost opportunity costs. Lost

opportunity compensation shall be calculated using the effective Federal Funds Rate times the total amount of moneys which were not available to the State for investment on a per day basis.

Except as otherwise provided in this agreement, neither Contractor nor the State shall be liable to the other for special or consequential damages unless such damages result from the fraud of that party. This Section 32 shall constitute a remedy in addition to any other remedies available to the State under law or this Agreement.

PRICING, INVOICE AND PAYMENTS

33. PRICE INCREASES

The Contractor agrees to provide the Services at the costs, rates and fees set forth in Attachment A: Pricing Schedule. No other costs, rates, or fees shall be payable to the Contractor, except for those mutually agreed to and attached to this agreement as an amendment.

34. ADVANCE PAYMENTS PROHIBITED

No advance payment shall be made for services furnished by the Contractor pursuant to this Agreement. Except as otherwise provided herein, such payments shall be due and payable within thirty (30) days after performance of such services or after receipt of properly prepared and submitted invoices, whichever is later.

35. PAYMENTS

Separate detailed invoices are required for each Agency utilizing this contract. Invoice detail shall include volumes by pricing elements identified in Attachment A: Pricing Schedule, price and amount due. Payment will be made monthly.

Each Agency is responsible for the costs they incurred on a monthly basis, and will pay the contractor after receipt of a properly prepared invoice.

36. TAXES

It is mutually agreed and understood that all payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Contractor's staff shall be the sole liability of the Contractor.

CONTRACT TERMINATION

37. TERMINATION FOR CONVENIENCE

The State may terminate this contract, in whole or in part, at any time and for any reason by giving ____ calendar days written termination notice to the Contractor. The Contractor may terminate this contract, in whole or in part, at any time and for any reason by giving ____ months written termination notice to the State.

38. TERMINATION FOR REDUCTION IN FUNCTION OR WITHDRAWAL OF AUTHORITY

In the event that funding from State is withdrawn, reduced, or limited, or the authority of the State to perform any of its duties is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to its normal completion, the State may terminate this Agreement, in whole or in part, at any time by giving ____ calendar days written termination notice to the Contractor.

39. TERMINATION FOR BREACH

Either party may terminate this Agreement for a material breach by the other party upon ____ days prior written notice; however, if the breaching party remedies the breach within ____ days of notification, then this Agreement shall not terminate due to such breach. Notwithstanding the above, Contractor may terminate this Agreement in the event any invoice(s) for Services becomes more than ____ days past due and such invoice(s) remains unpaid for fifteen (15) days after written notice is provided to a State agency.

The State also may terminate for breach in the following situations:

- a. Contractor makes any general assignment for the benefit of creditors;
- b. Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
- c. Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization or relief from debtors; or,
- d. any receiver, trustee or similar official is appointed for Contractor or any of Contractor's property. If it is subsequently found that Contractor was not in breach, the rights and obligations of the parties shall be the same as if a Notice of Termination had been issued pursuant to Section 37.

40. TERMINATION BY MUTUAL AGREEMENT

The State and the Contractor may terminate this contract in whole or in part, at any time, by mutual agreement.

41. TERMINATION PROCEDURE

Upon termination of this contract the State, in addition to any other rights provided in this contract, may require the Contractor to deliver to the State any property specifically produced or acquired for the performance of such part of this contract as has been terminated.

The State shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by the State, and the amount agreed upon by the Contractor for (a) completed work and services for which no separate price is stated, (b) partially completed work and services, (c) other property or services which are accepted by the State, and (d) the protection and preservation of property; unless the termination is for default, in which case the State shall determine the extent of the liability of the Contractor. The State may withhold from any amounts due to the Contractor such sum as the State determines to be necessary to protect the State against potential loss or liability.

The rights and remedies of the State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

42. TERMINATION-RELATED OBLIGATIONS ANTECEDENT TO DATE OF TERMINATION

Upon nearing the end of the final term of this Agreement, and without respect to either the cause or time of such termination, the Contractor shall take all reasonable and prudent measures to facilitate and ensure an orderly transition to the successor Contractor.

43. TERMINATION FOR MERGER OR ACQUISITION

Substitution of another organization to act as Contractor under this Agreement may occur in the event of a merger or acquisition, provided the State's Contracting Officer is given written notice by the Contractor, not less than sixty (60) calendar days prior to the effective date of such merger or acquisition. In this event, the successor Contractor shall provide an automatic continuation of all terms of this Agreement, provided the successor Contractor can meet all required terms of the Agreement. However, the State reserves the right to terminate the Agreement in the event a successor Contractor is substituted.

CONTRACT EXECUTION

44. AMENDMENTS

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by

personnel authorized to bind each of the parties. All amendments, addenda, and orders signed during the life of this Agreement shall be governed by this Agreement. The parties further agree, that additional Services, appropriate to the scope of this Agreement, may be added to this Agreement by an instrument in writing and only with the written consent of both parties. Such writing shall include a specific description of the additional Services, pricing and additional terms and conditions as relevant. The additional Services shall be available under the same terms and conditions established herein except as specifically amended between the parties.

45. LIMITATION OF STATE'S AUTHORITY

Only the State Contracting Officer, or delegate by writing, shall have the express, implied, or apparent authority to alter, amend, modify, assign or waive any clause or condition of this Agreement. Furthermore, any alteration, amendment, assignment, modification, or waiver of any clause or condition of this Agreement is not effective or binding until made in writing and signed by the State and the Contractor unless otherwise provided herein.

46. ENTIRE AGREEMENT

This document, including all exhibits, schedules, addenda and subsequently issued amendments, addenda or assignments, comprises the entire agreement between the State and the Contractor and no other statements or representations, written or oral, shall be deemed a part thereof.

47. COUNTERPARTS

This Agreement is to be executed in duplicate originals and each duplicate shall be deemed an original copy of the Agreement signed by each party, for all purposes.

48. SIGNATURE BLOCKS

IN WITNESS WHEREOF the parties hereto, having read this Agreement Number BC-2004-01 in its entirety, including all attachments hereto, do agree in each and every particular.

APPROVED

APPROVED

STATE OF WASHINGTON

SIGNATURE

TITLE

DATE

SIGNATURE

TITLE

DATE

APPROVED AS TO FORM

THE STATE OF WASHINGTON
OFFICE OF THE ATTORNEY GENERAL

SIGNATURE

TITLE

DATE

ATTACHMENT C –CREDIT/DEBIT CARD SERVICES QUESTIONNAIRE

The following questionnaire must be completed and included with your response to this RFP. This questionnaire has been prepared to obtain responses to questions concerning the vendor's capability to provide all services identified in the Scope of Services in Section II of the RFP, plus provide other similar services should the State and agency identify the need for such services.

Proposals that merely state that the firm will conduct the services in accordance with the respective sections shall be considered non-responsive to this request. Please submit a definitive description of the resources available and other pertinent factors to demonstrate the ability to perform the requested services as you respond to the questionnaire.

Limit your response to each question to one or two pages. Many questions can be answered with a brief response. Type your responses in the same order as the questionnaire, listing the question first followed by your answer.

SECTION I - ORGANIZATIONAL BACKGROUND

1. Organization

- 1.1. Provide a brief history of your firm as it relates to the proposed business including the following:

Year of Organization

Year of initiation of credit/debit card processing business(es)

Development of major business lines

Nature of firm's ownership

Nature of relationships with affiliated companies or joint ventures

- 1.2. What is the fiduciary classification of the financial institution that would be responsible for settlement of credit/debit transactions to the State? (check all that apply)

_____ Bank - National

_____ Bank - State

_____ Other: _____

- 1.3. Provide information on the extent of your commitment to credit/debit card and other merchant services and the various processing methods. Include the number and experience of employees dedicated to this processing, your approach to product development, and any other information which you feel to be significant.

- 1.4. Discuss the overall business objectives of your firm with respect to credit/debit transaction processing. Comment on any present or planned areas of emphasis over the next five years.

- 1.5. Briefly describe what distinguishes your firm from your competitors.
- 1.6. What support does senior management provide in the search for improvement and innovative solutions in these services?
- 1.7. Discuss your commitment to quality. Include quality controls and measures used to evaluate credit/debit transaction processing, and provide any unique approaches which you have.

2. Personnel

- 2.1. Describe your approach to account administration, e.g., account team, client account executives, support by administrative units, etc.
- 2.2. Please elaborate on your support staff in terms of the size of the staff and the level of the person who would be assigned as the account representative.
- 2.3. Provide resumes of key individuals involved with credit/debit card services and account administration who would be assigned to the State of Washington.
- 2.4. Please detail the ability of personnel who would be assigned to the State of Washington account to provide proactive technical assistance and training in the implementation of credit/debit card applications. Include examples of previous relevant work experience.

3. Clients

- 3.1. Provide at least three references, with telephone numbers and contact persons, whom we may call. Indicate the type of system and processing being utilized by each reference provided.
- 3.2. Provide the number of commercial and government accounts for whom you provide merchant card services, and the volume of transactions processed by your organization. How have these volumes changed over the last three years?

4. Internal Controls and Risk Management

- 4.1. Describe the system of controls that assure accuracy of the processing and reporting of credit/debit transaction processing.
- 4.2. Describe the procedures and provisions you have implemented to be employed in the event of disaster or equipment failure at your primary processing site(s).
- 4.3. Describe the various types of insurance coverage and indemnification provided to protect clients utilizing the service(s) proposed, including risk coverage, carriers, insurance levels, limitations, and deductibles.

SECTION II - SERVICES

5. Processing Functions/Networks

- 5.1. Provide a diagram reflecting the highlights of the accepting, authorizing, processing, and settling of credit and debit card transactions beginning with the point of sale to the deposit of funds. The diagram must indicate the functions performed by the vendor and those performed by others including all subcontractors. Include separate diagrams for in person bank card processing, internet credit card processing, and PIN based debit processing.
- 5.2. What processor(s) do you utilize or support?
- 5.3. What network(s) will be used for routing credit card transactions?
- 5.4. What services are provided by the network(s)?
- 5.5. Are different networks used for different types of credit card processing applications? If so, explain. List all credit/debit processing networks your organization utilizes in providing processing and settlement.
- 5.6. Are the funds transmitted through the network guaranteed?
- 5.7. What is the scheduled downtime for the network?
- 5.8. What backup procedures are available in the event of a network failure?
- 5.9. How will we be notified of network failure?
- 5.10. If the agency transmits data and there is a transmission failure, who is responsible for notification of the failure, how will it be discovered and when will it be communicated?
- 5.11. What number(s) are dialed to reach networks for authorization/batch processing? Are telecommunications charges incurred (long distance)? What options are available for communication connections, i.e., regular phone lines, special phone number (950), leased lines etc. Describe the features of each type.
- 5.12. List various third party vendors with whom you have obtained/issued certifications for processing, i.e. Cyber Source, Alliance Data Systems, etc.
- 5.13. List any other services which routinely are associated with payment and credit record processing that you could provide to the State of Washington.

6. Settlement

- 6.1. Discuss your operational procedures for settling payment and credit records, identifying: what time(s) batches sent to your organization for processing and settlement will be forwarded through the settlement network(s) for final settlement; the actual time after the cutoff for releasing batches when the money will be deposited into the State account(s); any cutoff times that must be met to insure settlement by the times listed.
- 6.2. What financial institution is utilized for settlement purposes?
- 6.3. Describe your organization's approach to settlement problem resolution. Are problems resolved on a same-day basis? Is a 1-800 number provided for settlement problem resolution?

7. Acceptable Transactions

- 7.1. List all cards that can be processed through your system.
- 7.2. List any prohibited transactions, e.g., cash advances, cash refunds, cash back?
- 7.3. Describe the procedures for assessing a convenience fee, note any differences in procedures by various card types, including debit cards.
- 7.4. What security procedures are required for the following:
 - POS terminals
 - Transactions on the internet
 - Transaction receipts
 - Sales reports
- 7.5. Provide a copy of any terms and conditions for credit card processing that agencies will be required to follow.

8. Reporting

- 8.1. Describe your organization's electronic reporting capability related to the requirements of this RFP including any specific requirements for access or compatible equipment. When are these reports available (how soon after processing)?
- 8.2. In addition to electronic access to reports, do you also provide access to transaction data files that might be used by agencies to interface the data directly into their internal systems if required? Provide a copy of the data file specifications.
- 8.3. Provide samples of both the standard detail and summary level reports you will provide to the agencies.
- 8.4. Provide detailed computer requirements and data file specifications for electronic files.
- 8.5. Describe the process and timeframes used to notify customers of changes in file structure and specifications.
- 8.6. Provide a sample of the monthly reports you would prepare for the Treasurer's Office detailing the activity (transactions/charges/etc.) broken down by agency plus a summary for all agencies in total. These reports must include all card types. How soon after month-end would these reports be available?

9. Billing and Administration

- 9.1. Describe your organization's ability to provide daily gross settlement and monthly billing for processing fees.
- 9.2. Detail any requirements your organization has related to billing each state agency monthly for processing fees associated with payment and credit record processing.
- 9.3. Provide a sample of the invoice and supporting documentation.

- 9.4. The assignment of merchant numbers for each State agency application is key to the Treasurer's Office and the State agency being able to identify the source of moneys received at settlement. Discover Card and American Express assign their numbers for each application, but it will be necessary for your organization to assign those numbers for VISA and Master Card. In working with Bank of America, our current provider, we have incorporated the three-digit state agency number in the number assigned, and in some instances a location number. To what extent is your numbering system flexible such that you would be willing to work with the State in developing these numbers to assure easy identification and assignment of money to the proper agency and/or agency location?
- 9.5. Describe your ability to separate invoicing in a manner similar to the merchant identification structure described in the agency requirements. Breakdown of billing information within one state agency may be required for governmental cost accounting purposes.
- 9.6. Describe your procedures and requirements for handling charge backs. Specify the process when signed receipt is available and the process for telephone and/or internet transactions. Includes copies of notices, advices, etc.
- 9.7. State your position on allowing any State agency that has an application that fits within the scope of this request to join in the Agreement under the negotiated pricing schedule (Attachment A: Pricing Schedule). The Treasurer's objective in negotiating agreements is to be able to allow any State agency to join in the contract and benefit from lower effective discount rates that might be achieved as a result of the larger volume of business that would be generated. Therefore, as other agencies join in the Agreement and total dollar volumes and transaction volumes increase, all agencies would enjoy a reduction in rates according to a tiered pricing schedule. Please discuss your understanding of what the State is trying to achieve.

10. Training and Consulting

In most future implementations, agency personnel are new to the world of credit/debit card processing.

- 10.1. Describe the training you would provide to agency personnel related to payment and credit card processing requirements, such as procedures for accepting credit/debit cards, security and fraud, completing a sale/refund, handling charge backs, accessing reports and transaction data, and/or any other processes and procedures which your organization may require.
- 10.2. To what extent is your organization willing to work in consultation with the Treasurer's Office and State agency personnel, contemplating implementation of credit/debit card applications, to advise the agency regarding the most cost efficient alternative and/or innovative solution.
- 10.3. Does your organization have a help desk or 1-800 line support available for use by agency personnel? Please describe the level of help available through the facility, the hours of operation/availability, and any costs associated with this service.
- 10.4. Describe training delivery plans, i.e., on-site training, etc.

11. Equipment and Software

- 11.1. Describe equipment available for standard point of sale applications, including credit and debit card processing. Provide brochures and specification sheets if possible. Describe purchase and lease/rental options available for such equipment.
- 11.2. Describe software available for use by agencies with existing PC based point of sale systems. Existing proprietary software provided by Alliance Data Systems for credit card authorization and settlement processing must be replaced. All vendors must provide a replacement product. It is desirable that such replacement software would not be proprietary, but rather based on open industry standards. Also describe plans for maintenance and support of software provided. Provide brochures and specification sheets if possible.

12. Transition

Describe your plan for transitioning existing agency credit card applications to your organization.

- 12.1. Provide a plan and timeline specific to each agency's transition. To avoid unnecessary costs, address how agencies could use their existing equipment/systems instead of purchasing new ones. Include specific information on replacement equipment/software required. The vendor must support existing agency equipment or state any modifications/upgrades that would be required for this equipment to work in the new environment.
- 12.2. Provide any and all costs associated with certifying custom designed point of sales systems, as outlined in attachment D: State Agency Requirements

13. Other Services

- 13.1. Describe the efforts your company is making in various forms of electronic commerce, especially internet applications, including but not limited to internet check processing, internet bill presentment and payment, etc.
- 13.2. Provide a summary of your organization's investment and commitment to developing future electronic payment processing technology and how you would offer such technological advancements to the State of Washington.

ATTACHMENT D – STATE AGENCY REQUIREMENTS

The Following State Agencies are currently accepting Bankcards for payment:

1. In-Person acceptance:

Department of Agriculture
Centralia College
Code Reviser
Convention and Trade Center
Department of Fish and Wildlife
Department of General Administration
Historical Society
Insurance Commissioner
Department of Labor and Industries
Liquor Control Board
Parks and Recreation Commission
Printer
Secretary of State
Department of Transportation
Utilities and Transportation Commission
Washington State Ferries

Unless noted in the detailed requirements below, these agencies are processing bankcards using dial-up on an analog phone line utilizing the following equipment. Please indicate which of the following equipment you or your processor can support:

1.1.1. Terminals:

Hypercom T7P (both print and thermal versions)
Verifone Trans 380
Verifone Trans 330

1.1.2. Printers:

Verifone Printer 900R
Verifone Printer 250

1.1.3. Pin Pads:

Verifone PinPad 1000se
Hypercom S8
Hypercom S9

2. Internet Acceptance:

Administration for the Courts
Community College CIS Association
Department of Corrections
Department of Financial Institutions
Department of Labor and Industries

Department of Licensing
Department of Revenue
Department of Transportation
Fish and Wildlife
Guaranteed Education Tuition Program
Parks and Recreation Commission
Printer
Secretary of State
Utilities and Transportation Commission
Washington State Ferries
Washington State Patrol

3. Agency Specific Requirements:

Detailed requirements are included for the following state agencies that are currently accepting credit cards. Maximum points will be awarded the vendor who most closely supports the agency requirements detailed below:

Community College CIS Association
Department of Labor and Industries
Department of Licensing
Department of Transportation
Washington State Ferries
Liquor Control Board
Parks and Recreation Commission
Washington State Patrol

3.1. WASHINGTON STATE CIS ASSOCIATION

3.1.1. Description of Current Application:

Washington State Community Colleges have formed an association for their Information Services needs called the CIS association. The CIS is a state agency who reports directly to each of the 34 colleges. The CIS has developed a common application for the colleges to accept tuition payments online, currently utilizing CyberSource as their processor.

Cards Accepted:

Visa, MasterCard, Discover, American Express

Transaction Type:

Internet transactions

3.1.2. Transaction Information Collected:

Amount
Country
Customer Id
First Name
Last Name
Zip Code
Street1
City
State
Expiration Month
Expiration Year
Card Number
Card Type
Version Number
Ticket
YRQ
College
CVC2, CVV2, CID, etc. (optional)

3.1.3. Key features:

Describe your ability to meet the following key features of the CIS

- 3.1.3.1. Real-time authorization with return posting information to the end user server
- 3.1.3.2. Problem support (7x24) for technical and back office questions
- 3.1.3.3. Timely notification of system or banking changes which require interface modifications

- 3.1.3.4. Uses Secure Sockets Layer (SSL) security while sending sensitive information over the Internet
- 3.1.3.5. Secure encryption of all critical data. Provisions for authentication, authorization, confidentiality, and integrity. Data is kept in a secure site.
- 3.1.3.6. Secure Back Office, all changes are done in a password protected environment. System includes user roles.
- 3.1.3.7. Various detail and summary reporting, batch and real time, suitable for printing and/or download
- 3.1.3.8. Full support of all card types
- 3.1.3.9. CVV2 (CVC2, CID, etc.) and AVS verification schemes support
- 3.1.3.10. Fully conforms to Association for Payment Clearing Services (APACS) and VISA Global Invoice Specification (VGIS) banking standards
- 3.1.3.11. Provides means to audit all authorization and daily banking submissions
- 3.1.3.12. Fraud detection system based on card number and other cardholder data
- 3.1.3.13. Developer support, including source code for integration with the service provider system
- 3.1.3.14. Documentation and training for both users and developers.
- 3.1.3.15. Provide research and problem resolution for transaction and/or settlement discrepancies.
- 3.1.3.16. Capable of upgrade to web service, including Simple Object Access Protocol (SOAP), Web Services Description Language (WSDL), and Universal Discovery, Description, and Integration (UDDI)
- 3.1.3.17. System should reject, within a configurable time frame, transactions with duplicate order numbers.
- 3.1.3.18. Process full and partial refunds which may have multiple refund amounts on one transaction (for a single card)
- 3.1.3.19. Ability for end user to release encumbrances for cancelled transactions
- 3.1.3.20. Notification system, by e-mail or other means, for transmission or system failures
- 3.1.3.21. Chargeback management and review

3.1.4. Architecture

College web site prompts student for payment information and sends it using SSL to service provider. This provider replies to a deny URL or an accept URL depending on the results of the authorization attempt. The funds are captured but not settled. The cashiering office at each college reviews and releases transactions for batch processing by the vendor.

Currently data is passed under SSL security as TCP post data and includes encryption keys for authentication. The response also returns as post data. There should be a capability to convert to a web service solution.

3.1.5. Merchant Identification Number/Terminal Identification Number Requirements:

Each College must have a unique Merchant ID number, which must settle to an account designated by the College.

3.1.6. Help Desk Requirements:

Live support should be available at a minimum during normal business hours, 8:00am to 5:00pm Pacific Time.

3.1.7. Other:

The community colleges are currently exploring an internet ACH application to compliment their current web registration process

3.2. WASHINGTON STATE DEPARTMENT OF LICENSING

3.2.1. Description of Current Application:

The Department of Licensing currently accepts credit cards via the internet for the payment of motor vehicle and vessel registrations, master business licensing, professional licensing, drivers and identicard licensing, and Uniform Commercial Code (UCC) record search requests.

Cards Accepted:

Visa, MasterCard

Transaction Type:

Internet – credit card.

3.2.2. Description of Future Application:

The Department of Licensing is currently exploring various payment options including online (PIN based) debit card processing, debit check processing, electronic checking, and expanding the acceptance of credit card types to include American Express and Discover. The point of sale for these options include face-to-face and internet transactions.

For point of sale systems, the agency field system will call a centralized server at the department which will forward the card authorization / billing request to the card processor via TCP/IP or other high speed process. Dial up will only be an option for backup purposes.

3.2.3. Transaction Processing Requirements:

3.2.3.1. Hardware:

USB connected programmable card swipe / signature pad

3.2.3.2. Software:

Windows .Net development toolkit to interface from POS to card swipe

3.2.3.3. Communication:

Encrypted Internet (TCP/IP) with dial up backup

3.2.3.4. Authorization Response Requirements:

Approvals in under 5 seconds

3.2.4. Integration Requirements:

Ability to authorize and bill Internet based and point of sale transactions (credit card and pin based debit cards) through the same processor.

3.2.5. Merchant or Terminal Identification Number Requirements:

Propose structure that will allow monies to be kept separate for each program, i.e., UCC separate from motor vehicle, separate from master business license services,. etc.

3.2.6. Help Desk Requirements:

Provide toll free phone number live support from 8:00 am – 5 pm Monday - Friday

3.3. WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

3.3.1. Description of Current Application:

The Department of Transportation (DOT) currently accepts credit cards in seven (7) divisions/offices, with both In-Person and Internet acceptance. One of these divisions, Washington State Ferries will be covered separately below.

Cards Accepted:

Visa, MasterCard and Discover– with the possibility of American Express and debit in the future

Transaction Type:

Motor Carrier Services – Permits. In person and Internet transactions
Geographic Services –Aerial Photographs. In person and internet transactions
Engineering Publications - Publications. Mail Order, Telephone Order and Internet
Aviation – Internet
Local Programs – In Person

Currently all programs with the exception of Washington State Ferries processing internet transactions are utilizing CyberSource as the processor, which are settled through the VITAL gateway. All programs processing In Person are utilizing Alliance Data Systems as the processor.

3.3.2. Description of Future Application:

The Tacoma Narrows Bridge (TNB) project will require both In-Person as well as Internet and IVR transaction procession. It is planned that the majority of transactions will be for deposits on transponders and the subsequent replenishment of pre-paid toll accounts. The TNB will also need to process bankcard toll transactions for those who choose not to use the transponder. The TNB project estimates there could be up to 270,000 transactions a year for the toll bridge.

The Washington Department of Transportation anticipates the need for bankcard acceptance with their State Route 167 Hot Lane pilot project. This project, slated to begin in 2008 will allow drivers to purchase time in the HOV lanes during peak hours, possibly using transponder technology. At a minimum, this project will need an internet processor, and could process up to 300,000 transactions a year.

3.3.3. Transaction Processing Requirements:Hardware:

Hypercom T7 Terminals and printers

Software:

None

Communication:

Local phone access or toll free number.

Authorization Response Requirements:

Immediate – 10 seconds.

3.3.4. Integration Requirements:**3.3.5. Merchant Identification Number(MID)/Terminal Identification Number (TID) Requirements:**

- 3.3.5.1. The Department of Transportation desires a MID/TID structure such that there is one MID for each major operations center (division/office/section) and unique TIDs for each individual location. DOT identifies individual locations with a three character number, which must be incorporated within the TID structure. The structure is illustrated as follows:

Agency
 Division/Office/Section
 Location(s)

- 3.3.5.2. Settlement: all MID/TID roll into one deposit into the state treasury.
3.3.5.3. Reporting: one report sorted by MID with detail by terminal – accessed by headquarters office using a secured internet connection

3.3.6. Minimum Reporting Requirements:

- 3.3.6.1. Daily: Daily summary and detail transaction report.
3.3.6.2. Monthly: Monthly billing invoice listing monthly detailed transactions and related charges.

3.3.7. Help Desk Requirements:

Help available, via toll free line, 24 hours a day, 7 days a week

3.4. WASHINGTON STATE FERRIES

3.4.1. Description of Current Application:

WSF is accepting credit cards for payment of passage at Ferry Terminals, on the Internet, and over the telephone. Currently Ferries is migrating to a new Point of Sales/Revenue system provided by Gateway/Avenade. This system has been certified with Alliance Data Systems and uses host capture on a leased line.

Ferries also has a terminal in Sidney, British Columbia, Canada. This terminal must be able to transact bankcards in U.S. dollars, utilizing the Gateway/Avenade POS system.

Cards Accepted:

Visa, MasterCard, Discover, American Express, Online Debit

Transaction Type:

Ferry Terminals: In-Person

Ferry Reservations: Internet

3.4.2. Transaction Processing Requirements:

3.4.2.1. Hardware:

P.C. based card swipe capabilities

P.C. based debit card pin entry

3.4.2.2. Software:

Windows XP and Server 2003 environment using a customized Gateway/Avenade Point of Sales system

3.4.2.3. Communication:

Leased line, with auto T-1 fallback

Toll Free or local dial up option

3.4.2.4. Authorization Response Requirements:

Total transaction time of six (6) seconds or less, with 60% of transactions at four (4) seconds or less

3.4.3. Integration Requirements

3.4.3.1. Because the Gateway/Avenade Point of Sale software has been certified with Alliance Data Systems, processing with ADS is a mandatory requirement.

3.4.3.2. The current Ferries application supports the following:
AVS (address Verification Service)
Support of CVV2, CVC2, CID etc.

Internet Commerce flag for compliance with electronic transaction rules

Debit card support (Online Debit)

Ability to accept private label cards

Recurring payments support and help - host based recurring payments process

Leased line, auto T-1 fallback high-end transaction response time -

Full service: Web, MOTO, on and off-line.

3.4.4. Merchant Identification Number/Terminal Identification Number Requirements:

Multiple merchant ID numbers that roll up into one settlement deposit. One MID will be assigned to each terminal/business unit. Current application is using 30 separate merchant ID numbers

3.4.5. Reporting Requirements:

- 3.4.5.1. WSF currently designs and creates their own reports. Therefore, WSF requires raw data on a daily basis, preferably by 8am for the prior day's transactions.
- 3.4.5.2. Summarized transaction reporting by calendar month
- 3.4.5.3. Secure transfer of data
- 3.4.5.4. 120 day access to past daily transfers
- 3.4.5.5. Sample format of raw data required
- 3.4.5.6. Daily transactions will have a unique, sequential transaction number enabling WSF to identify all transactions over a given time period.

3.4.6. Help Desk Requirements:

- 3.4.6.1. Immediate Notification of Outages or Impacts to System Performance
- 3.4.6.2. Automatic Email and Pager Notification Options
- 3.4.6.3. Status Updates Via Email, Pager, and Web
- 3.4.6.4. Competent, responsive, customer focused support.
- 3.4.6.5. Timely response to questions, data requests, etc.

3.5. WASHINGTON STATE LIQUOR CONTROL BOARD

3.5.1. Description of Current Application:

The Washington State Liquor Control Board (LCB) credit card application is a retail operation. There are two types of applications:

The state owned and operated liquor stores utilize PC cash registers with keyboard swipes and VeriFone PINPad 2000s. These utilize a software terminal solution from Triverscity for both credit card and online debit card capture. The winning vendor must either directly support Triverscity for both credit and online debit, or support Alliance Data Systems, who currently supports the current LCB application.

The LCB also has contracted to private parties who own and operate their own stores. These Agency contract stores are required to utilize bankcard terminals which are setup to settle directly to the State's concentration bank account. The contract stores are using Verifone Tranz 380 terminals, Verifone Tranz 900 printers and the Verifone Pin Pad 1000se.

There are 158 state owned liquor stores and 153 agency contract stores accepting credit cards. The LCB also has a test environment with live merchant ID numbers. Currently they have a total of 311 Merchant ID numbers.

Cards Accepted:

Visa, MasterCard, Discover, American Express and online debit cards.

Transaction Type:

State owned stores – retail. In person, signature captured.

Agency contract stores – retail. In person, signature captured.

3.5.2. Transaction Processing Requirements:

3.5.2.1. Hardware:

3.5.2.1.1. State owned stores:

P.C. based cash register with keyboard swipes and VeriFone PINPad 2000 swipe/pinpads

3.5.2.1.2. Agency contract stores:

Verifone Tranz 380 terminals,
Verifone Tranz 900 printers
Verifone PinPad 1000se.
Equipment is owned.

3.5.2.2. Software:

3.5.2.2.1. State owned stores:

Windows environment with Triverscity Point of Sales software

3.5.2.2.2. Agency contract stores:
None

3.5.2.3. Communication:

3.5.2.3.1.

State owned stores currently are using a dial up solution with the following requirements:

- Ensure sufficient communication facilities are available so users do not receive "Unable to contact host" messages (especially critical during "peak" hours and holiday seasons)
- Auto dial capability - begin dialing process before card is swiped
- Short "re-try" period (30 seconds), should communication fail Dial up with 1-800 or local call option

3.5.2.3.2. Agency contract stores:
Dial up with 1-800 or local call option

3.5.2.4. Authorization Response Requirements:
10-15 second validation response.

3.5.3. Integration Requirements:

State owned stores:

Must be able to accept and process transactions from Triversity software.

3.5.4. Merchant Identification Number/Terminal Identification Number Requirements:

3.5.4.1. The state owned and agency contract stores are to be treated as separate entities and as such require a unique merchant ID for each store/agency. Each store has an assigned store number which must be integrated into the terminal ID structure and appear on all reports. Hierarchy is as follows:

State Owned Stores
- Individual Store #'s

Agency Contract Stores
- Individual Stores #'s

3.5.4.2. Individual MIDs must roll up and be settled as one deposit for each type of store. (State Owned and Agency Contract) Settlement dollars must be kept separate between state owned and agency contract stores.

3.5.5. Reporting Requirements:

3.5.5.1. For both state owned and agency contract stores, daily transaction data files, in a standard text format, that can be manipulated in-house are required. It is desirable that reporting capabilities be received via

http or ftp. This file should at a minimum include the following information:

- Card Number
- Date
- LCB Outlet Number
- Transaction Amount
- Card Type
- Transaction Type
- Authorization Code
- Transaction Number
- Response Code
- Network Sequence Number
- Network Name
- Authorization Number

3.5.5.2. Separate reports are required for state owned and agency contract stores. In addition to the daily transaction file, a monthly summary report for both state owned and agency contract stores is required.

3.5.5.3. Ability to Access Summary Reports for daily and monthly activity

3.5.5.4. Ability to Access chargeback reports for deposit reconciliation

3.5.6. Help Desk Requirements:

3.5.6.1. Provide help desk support that covers standard “west coast” store operating hours (8am-10pm Pacific Time)

3.5.6.2. Clearly define the “problem escalation” process, including resolution timeframes, escalation timeframes and contacts

3.5.6.3. Provide clear and usable comprehensive system documentation for users

3.5.7. Other:

3.5.7.1. Reasonable retrieval request deadlines (minimum of 7 business days, preferably 10 days)

3.5.7.2. Clear and concise monthly billing for fees by location

3.5.7.3. Availability of point of sale signage

3.6. WASHINGTON STATE PARKS AND RECREATION COMMISSION

3.6.1. Description of Current Application:

State Parks has five types of credit card applications:

Central Reservation System – Call Center and Internet Reservations – CAMIS system software with interfaces to Alliance Data Systems. Transactions are processed via telephone and internet by CAMIS through contract with WA State Parks & Recreation Commission. **Transaction time is critical at this central location.** The current process uses a VSAT connection to Alliance Data Systems (ADS) (with dial-up backup) and requires average transaction times of less than 5 seconds. A standard Internet based IP solution would also be acceptable (perhaps desirable) if transaction times can be maintained. Settlement is directly to WA State Treasurer's Concentration Bank Account at Bank of America. Authorization, capture and settlement via Alliance Data Systems Network.

Central Reservation System – Park Registration – CAMIS system software with interfaces to Alliance Data Systems through an Internet based IP solution using satellite Internet connection through Datawire's Network Access Module (which provides appropriate security). Any Internet based IP solution would be acceptable at the parks as long as there is an option for dial-up backup. Transactions are processed in-person at the park through CAMIS software. Settlement is directly to WA State Treasurer's Concentration Bank Account at Bank of America. Authorization, capture and settlement via Alliance Data Systems Network.

Fort Worden State Park and Conference Center accepts reservations for facilities and uses a PC based point of sale system with credit card software by Springer-Miller Systems, SMS Host software. Transactions are processed in-person, mail and over the telephone. Beginning in January 2006 internet reservations/payments will be implemented utilizing Springer-Miller Systems SMS World software which links directly into the SMS Host software. Authorization and capture are currently processed via Shift4 Corporation's Dollars on the Net and settlement is via Vital Network.

Parks not served by the Central Reservation System and the Headquarters Office accepts credit cards for permit sales and use either a Veriphone Tranz 330 Terminal; a Tranz 380 Terminal and Printer 250 or Hypercom T7P. Transactions are processed in-person or over the telephone at Headquarters. Transactions are process in-person at the Parks. Authorization, capture and settlement via Alliance Data Systems Network.

Headquarters uses an internet application through the Department of Information Systems CyberSource engine and settles via Vital Network.

Cards Accepted:

Visa, MasterCard and Debit cards. Note: Only selected parks accept online debit.

Transaction Type:

- CAMIS – Call Center & Internet – telephone and internet
- CAMIS – Park Registration – in-person, signature captured
- Fort Worden – in-person, mail order and call center (telephone order). A signature is captured at check-in.
- Stand Alone Terminals – Parks and Headquarters – in person, signature captured.
- Headquarters Internet – internet.

3.6.2. Transaction Processing Requirements:**3.6.2.1. Headquarters**Hardware:

Veriphone Tranz 330 Terminal, Trans 380 Terminal and Printer 250; Hypercom T7P Terminal/Printer Combination. Equipment is owned. All terminals are currently programmed to process through Alliance Data Systems.

3.6.2.2. Central Reservation System Call Center, Internet and Park Registration**3.6.2.2.1. Hardware and Software:**

CAMIS software running on Windows 2000 Pro interfacing with ADS Link POS middleware software.

3.6.2.2.2. Communication:

Communications are IP based using secure satellite connection through Datawire Network Access Module or VSAT terminal, all with dial-up backup. Prefer "950" with 1-800 number as backup.

3.6.2.2.3. Authorization Response Requirements:

Average expected response time should be around 5 seconds for IP/VSAT based transactions.

3.6.2.2.4. Integration Requirements:

Must be able to process transactions through the Alliance Data Systems network using ADS Link POS middleware software.

3.6.2.3. Fort Worden Reservation System**3.6.2.3.1. Hardware:**

IBM Compatible PC using Windows operating system.

3.6.2.3.2. Software:

SMS Host and SMS World with Shift4 Corporations Dollars on the Net for credit card processing.

3.6.2.3.3. Communication:

*IP based using secure DIS/GSN fiber plant connection.
External Modem. Modem speed up to 33,600 baud. Prefer
"950" with 1-800 number as backup.*

3.6.2.3.4. Authorization Response Requirements:

Sub 5 second response.

3.6.2.3.5. Integration Requirements:

Must be able to accept and process transactions from Shift 4 Corporation's Dollars on the Net, or a processor who has certified the SMS Host software

3.6.2.4. Headquarters Internet System

Must be able to accept and process transactions from CyberSource.

3.6.3. Merchant Identification Number/Terminal Identification Number Requirements:

Current structure:

Agency

Regions (geographic regions established by State Parks)

Individual Parks

3.6.3.1. Terminal ID is very important to State Parks. The existing structure is:

- WPRK625102
- Places 1-4 represent the agency
- Places 5-9 represent the park number and satellite number
- Place 10 represents the number of terminals at that park
- It is imperative that the park and park satellite numbers be incorporated into the terminal ID number.

3.6.4. Reporting Requirements:**3.6.4.1. All reporting and reconciling is done at the headquarters level. All reports must be sorted by Region (optional) and then by individual park using terminal ID.****3.6.4.2. Prefer fax reporting, but electronic reporting is acceptable. Electronic reporting should support modem speed of 28,800 baud. Prefer unique file name for each report transmitted to avoid having to rename files.**

3.6.4.3. Desire summary level reports – by park by card type – daily, weekly and monthly reports required.

3.6.4.4. Reports sent through US Mail should be received by the agency no later than one week after report date.

3.6.5. Help Desk Requirements

7:00 a.m. – 11:00 p.m. PT seven days a week with response time at no more than 30 minutes.

3.6.6. Other:

Invoices should be received by the agency no later than one week after billing period ends.

3.7. WASHINGTON STATE PATROL

Identification and Criminal History Section

Washington Access to Criminal History (WATCH)

3.7.1. Description of Current Application:

The Washington State Patrol (WSP) has one location accepting credit cards via the internet. The application utilizes CyberSource Payment Gateway for secure transaction processing to Bank of America. WSP accepts Visa, MasterCard, Discover, and American Express cards.

WSP Identification Section provides criminal history information over the internet, providing log on access for account holders and credit card access for credit card users. Users are able to purchase background check information at a cost of \$10.00 each through a secure website.

Cards Accepted:

Visa, MasterCard, Discover, and American Express.

Transaction Type:

Criminal History Background Check. Internet.

3.7.2. Transaction Processing Requirements:

3.7.2.1. Hardware: PC Internet Server

3.7.2.2. Software: Windows Server 2003, IBM Websphere Application Server, : TCP/IP – HTTP/HTTPS

3.7.3. Authorization Response Requirements:

Vendor must be able to accept transactions from IBM Websphere Application Server platform.

3.7.4. Integration Requirements:

Vendor must be able to accept transactions from IBM Websphere Application Server platform.

3.7.5. Merchant Identification Number/Terminal Identification Number Requirements:

Single Point of Sale (POS) Commerce Web Site.

3.7.6. Reporting Requirements:

3.7.6.1. Daily: Daily summary and detail transaction report.

3.7.6.2. Monthly: Monthly billing invoice listing monthly detailed transactions and related charges.

3.7.6.3. Electronic: Optional.

3.7.6.4. Data file – include hardware/software/file specifications: Optional.

3.7.7. Help Desk Requirements:

Vendor must provide technical support for any transaction processing middleware to be installed on our servers.

3.7.8. Other:

Transactions are batched daily. WSP reviews transactions daily before submitting batch to bank for settlement, so an “auth-only” transaction model is ideal. Our current business process requires “massaging” of transaction data prior to batch commitment.

ATTACHMENT E – RCW 39.58.080 DEPOSIT OF PUBLIC FUNDS

RCW 39.58.080 Deposit of public funds in public depository required--Deposits in institutions located outside the state.

Except for funds deposited pursuant to a fiscal agency contract with the state fiscal agent or its correspondent bank, funds deposited pursuant to a custodial bank contract with the state's custodial bank, and funds deposited pursuant to a local government multistate joint self-insurance program as provided in RCW 48.62.081, no public funds shall be deposited in demand or investment deposits except in a public depository located in this state or as otherwise expressly permitted by statute: PROVIDED, That the commission, or the chair upon delegation by the commission, upon good cause shown, may authorize, for such time and upon such terms and conditions as the commission or chair deem appropriate, a treasurer to maintain a demand deposit account with a banking institution located outside the state of Washington solely for the purpose of transmitting money received to public depositories in the state of Washington for deposit. [1996 c 256 § 8; 1991 sp.s. c 30 § 27; 1986 c 160 § 1; 1984 c 177 § 14; 1983 c 66 § 11; 1969 ex.s. c 193 § 8.]

NOTES:

Effective date, implementation, application--Severability--1991 sp.s. c 30: See RCW 48.62.900 and 48.62.901.

Severability--1983 c 66: See note following RCW 39.58.010.

ATTACHMENT F – CURRENT CREDIT CARD VOLUMES

The following table will provide both transaction volume and dollar volume by agency from calendar year 2004. This includes both credit and online debit.

Agency	Dollars	Transactions
Liquor Control Board	182,194,865.12	5,668,900
Dept of Transportation	43,825,352.19	1,303,041
Dept of Licensing	43,983,700.84	668,559
State Parks & Recreation	8,058,854.40	201,038
CIS Association	46,086,507.00	116,289
Convention & Trade Center	1,155,817.79	60,316
Dept of L&I - Total	2,452,841.51	54,647
State Patrol	373,967.00	26,525
Secretary of State - Total	1,284,876.76	8,453
Insurance Commissioner	437,400.00	5,817
Historical Society	205,972.32	5,708
Utilities & Transportation	954,963.77	4,963
General Administration	2,237,098.39	3,799
Guaranteed Education Tuition	164,550.00	3,384
Dept of Printing	143,833.38	2,649
Code Reviser	102,782.07	534
Dept of Agriculture	40,679.45	472
Fish & Wildlife	119,051.19	446
Admin for the Courts	12,171.65	110
Dept of Corrections - CI	17,730.45	64
Dept of Financial Institutions	4,416.62	26
Total	333,853,015.28	8,135,714